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Immigrant access to small business support services

Abstract

The Australian population comprises people from many different ethnic backgrounds who contribute to the cultural diversity of our society. Many immigrants have settled into the Australian way of life relatively easily and have moved on to establish themselves in positions of authority and trust. Nevertheless, some groups, particularly those from some non-English speaking backgrounds, remain socially and economically disadvantaged and have been confined to low-skilled, low-paid employment.

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UNIVERSITY OF WOLLONGONG, AUSTRALIA

Paper No. 9

**Immigrant Access to
Small Business Support Services**

STRAHAN / LUSCOMBE

Working Papers on Multiculturalism No.9

Immigrant Access to Small Business Support Services

K.W. Strahan and K.E. Luscombe

Productive Culture Australia, Melbourne

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CHAPTER 1: INTRODUCTION

BACKGROUND

The Australian population comprises people from many different ethnic backgrounds who contribute to the cultural diversity of our society. Many immigrants have settled into the Australian way of life relatively easily and have moved on to establish themselves in positions of authority and trust. Nevertheless, some groups, particularly those from some non-English speaking backgrounds, remain socially and economically disadvantaged and have been confined to low-skilled, low-paid employment.

Most State Governments and the Federal Government have introduced a range of multicultural policies to assist in the management of our ethnic diversity, to maintain social cohesion and justice and to harness the skills, education and entrepreneurial ability of all Australians.

The recently released National Agenda for a Multicultural Australia incorporates a number of goals proposed by an Advisory Committee in 1988. The aim of the policy is to ensure that those who are 'culturally different' have the same freedom as other Australians, including equal access to Government programmes and services and to ensure their skills, talents and abilities are efficiently utilised for the benefit of Australia.

The concept of equitable access stems from the Federal Government's Access and Equity Strategy which seeks to ensure that programmes and services are properly designed and delivered to immigrants and other minority groups. The programme aims to change systems and services from within to ensure that they are responsive to the needs of a culturally and linguistically diverse community.

Part of the approach has been to encourage agencies to express Access and Equity objectives in corporate goals so that they become an inherent part of corporate planning thereby ensuring maintenance of an ongoing service to all members of the community.

The strategy covers all aspects of provision of services, from planning and policy development through resource allocation to programme delivery.

The Government's aim with the Access and Equity strategy is sustained structural change in its departments to ensure that barriers of race, language and culture do not hinder people from using Government agencies. The effective implementation of Access and Equity programmes would provide immigrant people with a better chance to achieve their full economic and social potential. Allocation of resources to this area would ultimately benefit all Australians because immigrants have much to contribute through their knowledge of languages, their different skills and education and cultural background.

The language knowledge of immigrant Australians is a resource that could be used in the development of trade and tourism in which 7 of our 10 largest export markets, and 8 of our 10 fastest growing markets, are non-English speaking countries (National Agenda for a Multicultural Australia, 1989). Immigrants often have professional and technical experience which they can use to promote development and the specific business knowledge of immigrants could assist in the development and expansion of export markets.

Many immigrants have shown considerable entrepreneurial talent to establish small businesses and develop large ones. Small businesses owned and managed by immigrants are generally more successful than their Australian counterparts and show strong employment growth (Strahan & Williams, 1988). It has been found that immigrant small business people face problems in management and bookkeeping and that they rarely seek external advice when they encounter difficulties. The business problems faced by immigrant entrepreneurs suggests that access to support services could be of great benefit.

A knowledge of the use of business assistance by immigrant small business people, and identification of barriers to their access to business support services, is necessary if these services are to be improved. Information is needed so that particular services can be targeted to ensure that resources directed to improving access will be used most efficiently.

The principal aims of this report are to establish the assistance needs of immigrant small business people and identify barriers of access to business support services in order to recommend how these services could be developed to better serve immigrant entrepreneurs. The report also examines the potential to develop export markets to the countries of origin of immigrant small business people through their overseas contacts.

IMMIGRANTS IN AUSTRALIA

In 1986 the immigrant population in Australia was approximately 3.2 million people who came from many different parts of the world including Europe, the UK, the Middle East, Asia and New Zealand. Nearly 56% of these people were from countries where English is not the main language (ABS Census, 1980). As previously stated, immigrants have much to contribute to the cultural and economic growth of Australia due to their diverse backgrounds and varied skills. These skills are a resource from which Australia can benefit.

The ethnic diversity of the Australian population today is a result of past and present immigration policies. Following the Second World War, Australia embarked on a large scale immigration programme to promote economic growth and satisfy our defence requirements. Britain was initially seen to be the major source of new immigrants to Australia and the provision of assisted packages was used to encourage British people to come to Australia. Australia also welcomed people who had been displaced by the war including immigrants from the Baltic republics who were accepted both on humanitarian and economic grounds.

Preference was given to people in skilled occupations who were able to meet specific labour shortages in Australia.

Significant numbers of Italian migrants also started to enter Australia and the signing of an immigration agreement between the Greek and Australian governments in 1952 led to a significant increase in Greek immigration.

Large numbers of German and Dutch people also migrated to Australia from the early 1950s through to the mid-1960s. These northern Europeans had considerable industrial skills and moved into highly skilled positions in contrast to the southern Europeans who were generally employed in lower paid semi-skilled jobs.

Hungarian and Czech refugees came to Australia following the unrest experienced in their countries in 1956 and 1968 respectively and, in the late 1960s and early 1970s, significant numbers of Yugoslavian, Turkish and Lebanese nationals also immigrated to Australia. It was necessary to develop family reunion programmes following the large influx of migrants into Australia.

The abolition of the White Australia Policy in the early 1970s has opened up migration from Asia, South Africa and the Indian sub-continent. The political crisis in Indochina precipitated an exodus of people from Vietnam, Cambodia and Laos and Australia now has a significant population of people from these countries.

Current immigration programmes cater for family migration and for people with skills, education and qualifications enabling them to make an easy transition into the workforce. Programmes for resettlement of refugees and people from war-torn countries also operate.

Currently the United Kingdom and Ireland, New Zealand, Vietnam and the Philippines are the major countries of origin for immigrants to Australia.

IMPORTANCE OF SMALL BUSINESS IN AUSTRALIA

Small businesses are a key foundation stone of Australia's free market economy and play an important part in generating employment and output. Approximately 59% of the total workforce in Australia was employed in small businesses in 1986. These jobs were mainly in wholesale and retail trade, agriculture, and manufacturing (ABS 1986-87).

Small businesses are a source of creativity and innovation and make an important contribution to the diversity of enterprises in Australia. Opportunities for small manufacturing industries have arisen from the development of new techniques suited to smaller production volumes and increased demand for high quality small batch products. Export of commodities produced by small manufacturing businesses contributes to economic growth in terms of income and jobs.

It has been difficult to establish a strict definition of 'small business' because of the diversity and complexity of the sector. Definitions focusing on parameters such as numbers employed, size of the capital base or the sales of the enterprise have limited relevance and current definitions generally focus on characteristics of the enterprise related to its smallness. These characteristics have been drawn from the literature by a number of Australian authors (Williams 1987; Meredith 1985) who define small businesses as being enterprises in which:

- managers are independent and are usually the owners of the enterprise.
- capital is supplied and ownership is maintained by an individual or small group.
- the operation is localised, drawing the owner and workers from a local community although markets may be more extensive.
- their smallness is relative to the size of the largest enterprises in the industry.

The Wiltshire Committee (1971) defined a small business as one in which

'one or two persons are required to make all the critical management decisions - finance, accounting, personnel, purchasing ... without the aid of internal specialists, and with specific knowledge in one or two functional areas.'

The Committee suggested that enterprises employing less than 100 employees should be classified as small businesses. In recent years, this quantitative definition has been further refined by classifying enterprises in the retail and services sector employing 20 people or less, and enterprises in the manufacturing sector employing 100 people or less, as small business.

The number of small business enterprises, their output and the proportion of the workforce that they employ gives some indication of the importance of small business to the Australian economy.

The large number of small business enterprises and their state of dynamic flux have given rise to a range of credible estimates of small business numbers in Australia.

Johns, Dunlop and Sheehan (1974) assumed a small business population of over 200,000. Bailey and Royston (1980) suggested that the figure of 372,000 small businesses had been accepted by the National Training Council. The Ralph Committee enquiring into Management Education referred to 387,000 non-rural small firms and 174,000 more on the rural register.

Williams (1987) estimates on the basis of available data and 'gut feeling' that in late 1986 the small business population in Australia numbered between 730,000 and 750,000, with 170,000 of these involved in rural production and 580,000 in non rural enterprise.

Various authors (Williams, 1987; Meredith, 1985; Johns et al, 1974) have suggested that 95% of all enterprises in Australia are small enterprises.

Meredith (1985) claims that 50% of the factory workforce and 65% of the retail workforce in Australia are employed in companies employing less than 100 and less than 50 employees respectively. Williams (1987) suggests that 65% to 70% of the total non-rural workforce is accounted for in the small enterprise sector.

Over 40% of the value of manufacturing production is attributed to small manufacturing enterprise, while 75% of retail turnover is made by shops grossing less than \$500,000 per year.

The ABS estimates that small retailing and service sector enterprises and manufacturing enterprises contribute 33% and 25% respectively of the value added in these sectors. Williams (1987) suggests that these estimates are too low.

The Bolton Committee of Enquiry of Small Firms (1971) identified a range of important functions of the small business sector in the United Kingdom and argued that small

business generally provides a productive outlet for independent entrepreneurs; it represents an appropriate scale of operation in many sectors and therefore enhances the efficiency of resource use; it contributes to consumer choice by increasing product variety; it provides actual and potential competition to large enterprises with monopoly power; and is a source of technological and service innovation.

THE CHARACTERISTICS OF SMALL BUSINESS

The characteristics and behaviour of small enterprise derive primarily from two factors - the small scale of the operation and the day-to-day involvement of the owner/manager.

To examine and interpret the actions of small business people and identify actions which could be supportive of the growth and vitality of this sector, it is necessary to take clear account of the influence of smallness and the individual skills and attitudes of the owner/manager on the operation of the small business enterprise.

In most cases small businesses are owned and managed by one or two people and their success therefore tends to depend to a high degree on the competence, skills and attitudes of the manager(s). The manager is often responsible for all areas of business development and is compelled to become a generalist because of the limitations of resources available. The lack of specialised skills in certain areas can be a major inhibitor to growth and may contribute to business failure through a lack of business planning and a failure to make sound decisions.

Small businesses have limited control over their external environment and they often have limited access to finance necessitating restrictions in areas such as research and development, staff training and new equipment. They generally rely on labour intensive methods and use limited process and product technology.

A limited product range and dedication to the product long after it has reached the mature stage of its life cycle, can make small enterprises inefficient and uncompetitive and vulnerable to technical obsolescence and changes in consumer taste.

Many small business owners are defensive about the ownership and control of their enterprise which may have the effect of limiting growth and the financial options of the firm. The operation of small enterprises tends to be strongly influenced by family interests which can assist in the establishment and success of a small business. However, interference by family members or orientation of the enterprise toward non-business objectives may undermine its viability.

IMMIGRANT SMALL BUSINESS IN AUSTRALIA

Small business has been an important vehicle through which immigrants have established themselves in the economic and cultural milieu of Australia. The varied skills and education of immigrants has meant that they have much to contributed significantly to Australian economy through their involvement in small business.

The critical role of the owner/manager in controlling the enterprise make some immigrant-owned small businesses fundamentally different from Australian businesses. Language and cultural differences influence immigrant small business people in their choice of employees, business associates and the way that they choose to do business.

Circumstances under which immigrants have come to Australia can also affect their business attitudes. For example, immigrants who have endured considerable hardship, such as Indochinese refugees, could be more enterprising and determined to succeed and less willing to deal with Government agencies.

There is very little literature about the business issues faced by immigrant small business people and about access to business support services. A report by the Taskforce on Education and Training for Minority Business Enterprise in the United States identified management deficiencies and a lack of minority role models as major reasons for minority business failure.

The report recommended the establishment of a Federal Government agency to co-ordinate the development of a management training system to be delivered by a

localised system of training courses, consultants and educational institutions accompanied by an energetic publicity programme. The report gives little consideration of cultural issues, the nature of small business and immigrant entrepreneurs.

Studies in Australia (Johns et al, 1974, Marceau, 1983) found that immigrants are more likely to engage in entrepreneurial activity than Australian born people.

More recent work (Strahan and Williams, 1988) used data from a longitudinal study of 10, 570 Australian small businesses and 22,034 owner/managers. This work included data on 4,113 individual immigrant owner/managers from 2, 130 enterprises collected in the period between 1973 and 1985.

The report indicated that firms owned by immigrant entrepreneurs had a 53.4% survival rate compared to 46.6% for the total sample. A range of owner/manager characteristics was found to be significantly related to the success of immigrant small businesses.

Male immigrant entrepreneurs aged between 30 and 39 years with good formal education, occupational experience and family support were most likely to operate successful small business enterprises. Good accounting and financial management, time management and planning, updating of technology and product knowledge and continuous review of sales and marketing effectiveness contributed to the success of immigrant owned enterprises.

Sixty nine percent of immigrant enterprises with good accounting records were successful compared with a 39% success rate for companies that kept inadequate or poor records. Immigrant enterprises which used good and consistent planning techniques also had a 69% success rate compared to 47% for those which planned rarely or poorly.

Unlike other small businesses, survival of immigrant owned enterprises was significantly related to regular effective updating of technical and product knowledge, and 61% of enterprises which regularly updated were successful compared to 46% of those which updated rarely or poorly. Sixty nine percent of companies with above average start up preparation were successful compared with only 45% for those with below average preparation.

Only 36% of immigrant firms with problems in cash flow and 48% of firms with difficulties in using books and records survived. Immigrants who perceived management problems survived 56% of the time and were generally able to solve their problems more often than other small business people generally. Managers in general also had more problems in sales and marketing than immigrant small business people.

Immigrant entrepreneurs perceived that they had problems in areas of keeping and using business records and seeking and using external advice. Less than 30% of them consulted external advisors or multiplier agencies.

Nevertheless, immigrant entrepreneurs who did use external advice had a 61% survival rate compared to 50% for other immigrant small businesses. The range of sources of advice used and the frequency with which they were referred to all correlated with the success rate of the small business.

The report concluded that current business support services available to immigrant entrepreneurs were inadequate and failed to reflect the potential benefits to be derived from assisting immigrant small business people. It recommended that existing business support programmes be targeted to the shortcomings of immigrant entrepreneurs, especially with respect to start-up preparation, general and financial management and the use of external advisors and multiplier agencies. The requirement for adequate publicity for business assistance programmes, with emphasis on importance and potential benefits to be derived from such schemes, was also highlighted. The report stated, however, that increased publicity would not achieve anything unless small business agencies were more open to the approach of immigrant small business people.

The results of the report indicated that the access of immigrant small business people to support services need to be improved to the benefit of the whole community.

ACCESS TO SMALL BUSINESS SUPPORT SERVICES

This study seeks to establish means by which immigrant small business people can improve their access to small business support services.

As such it focuses on the needs of immigrant small business people and does not attempt to establish the access needs of the whole small business community.

The study also does not attempt to establish that immigrant access to small business support services is more limited than that of Australian born small business people. Rather, it seeks to explore whether or not language and cultural barriers increase the difficulty of immigrants gaining access to Government support services.

The literature on the access of small business people to support services is limited but details some of the information-seeking behaviour of managers of small firms.

It identifies the factors which are relevant to access to small business support services and provides some guidance on the methodologies which have been successfully applied to the exploration of the problem.

Unfortunately, because the literature is so limited, no specific discussion of immigrant access to small business support services was found.

The limited overseas and Australian literature is however discussed in the following section.

Studies Overseas

A study by Bennett (1982) concentrated on 200 independent manufacturing firms employing less than 100 people in 4 different regions of the United Kingdom. The results of interviews indicated that managers from small companies were unwilling to make contact with external information sources until necessary, and generally did not admit to having problems until crisis became inevitable. Consequently, their information tended to relate to specific events in the day-to-day running of the company and information was often required at very short notice. They generally did

not feel a need for general information or for long term planning data which they regarded as being irrelevant to the daily needs of the firm.

Owner/managers often had difficulties in analysing their problems and information requirements which meant that they did not always receive appropriate assistance. They also lacked specific knowledge about organisations providing business assistance, which was partially due to an inability of support services to define their services, relate them to real needs and publicise them informatively.

The report by Bennett also indicated that small business people were more likely to obtain advice from people who had been personally recommended to them and that they preferred to use the telephone for making initial contact.

To facilitate the contact process the authors emphasised that business support agencies should give prospective clients a sympathetic and honest reception from the outset and should immediately explain how they can be of assistance. They indicated that support agencies should endeavour to determine the real needs of the clients and try to provide a service as promptly as possible, although they recognised the problems of trying to combine speed with detailed analysis of the problem.

They also indicated that support agencies should better define their target audience and direct their publicity to this group making sure that it was clear and precise. They suggested the use of different kinds of publicity for different types of clients to ensure that it was specific enough to be of real use.

The report also recommended systematic evaluation and monitoring of intermediary agencies and the development of increased co-operation between different support agencies to ensure that the best possible service was provided.

In another study by Trott (1986), firms were instructed to direct their inquiries for information to a specific Research Officer at a public library. The study indicated that firms required easy telephone access throughout the working day to a known and trusted professional able to provide basic information.

Firms appreciated being able to contact the same person each time and this personal element encouraged them to use the service again, although an active marketing campaign was needed to remind firms that particular resources were available. The main enquiries related to marketing (22% of enquiries), technical information (21%) and company information (16%).

Studies in Australia

A study into the information needs of small manufacturers employing up to 100 people in New South Wales, carried out by Maguire and Kench (1976), followed a pilot study which had indicated that adequate access to business information was important in determining the survival of the small enterprise. The findings of this study were in many ways similar to those of Bennett, indicating the similarity of the situations in Australia and the United Kingdom.

The report indicated that smaller companies had less contact with external agencies providing assistance than larger companies. Larger companies needed to approach a greater variety of information sources with technical and production problems, which led to a greater familiarity with information services and meant that they were more willing to approach them on subsequent occasions.

Large firms were also more willing to use private consultants and belong to trade and business associations.

Small companies approached information sources less often, had fewer contacts and were, therefore, less familiar with information services. Their limited resources made managers of small companies unwilling to spend time and money seeking information which they perceived as being of only limited use. They therefore sought information only when they needed it and information was often required at very short notice.

The telephone was the preferred method for making contact with information sources and was used to access information 78.6% of the time because it allowed immediate communication and permitted the manager to explain the problem verbally. It also allowed the manager to receive an immediate response so that if the organisation was unable to help, another could be immediately contacted. Useful information was received by telephone 58.9% of the time.

Small business people most commonly approached suppliers (54% of the time and people in a similar business 38%), for their information requirements. The familiarity and accessibility of these contacts made them the preferred information source since small business people felt that they could discuss their problems with them more easily.

They felt that these contacts could give quick, readily applicable answers because they could understand the context and urgency of problems encountered, although managers were not always satisfied with the information supplied. There was no guarantee that these advisors were particularly well informed and that their information was up-to-date, accurate or complete.

Small business people also used trade magazines and were interested in information about further material which would be available to them on request.

When asked about preferred sources of information, 45% of small business people suggested trade and business associations. Only 19% of the businesses surveyed did not belong to any such organisation. Other possible sources of information mentioned were government departments and a new, independent, government-sponsored agency.

The results showed that trade and employer associations had come closest to meeting the information needs of small manufacturers although not all firms were members of these groups. Some small business people were not interested in the available information services. In many cases this was due to a lack of awareness of the type of information available and a reluctance to recognise that many of the problems that they encountered were similar to those troubling small business people in other firms.

The recommendations of the report were similar to those made by Bennett. The establishment of an information service which would develop a co-ordinating function between business service agencies and act to refer enquiries on any subject to the relevant information source was suggested. This service would act to filter information to small business people so that they would have access to relevant information that they could use.

The findings of these reports have indicated that small business people generally require accurate and up-to-date information related to the day-to-day running of the business. This information is often required at short notice.

The need for a specific contact who can be trusted and relied upon to refer small business enquiries to appropriate agencies was generally recognised.

Access to support services was influenced by the manager's knowledge of what was available. Marketing strategies adopted by business support agencies were generally seen to be inadequate since managers were often unaware of the specific services available.

Managers were often unable to recognise and analyse their problems sufficiently to ensure that they received the appropriate type of support.

Limited time and money also restricted small business use of support services.

IMPROVEMENT OF SMALL BUSINESS SERVICES

Meredith (1985) suggests that the problems encountered by small business people requires the implementation of Government initiatives to ensure that size problems are not a barrier to new business development. Support agencies, specifically catering for the needs of small businesses, are needed because consultants often find that time spent with small business people is unprofitable since they are unlikely to maintain ongoing contact with them. The complex problems encountered by small business people often require extensive investigation and analysis which can be time consuming and too costly for the small business to meet.

He suggest~ that external small business advice is best supplied by a multidisciplinary agency which can cover the many different types of problem encountered by the small business person. Such agencies could be expanded to become client resource centres to which small business people could come to seek information themselves.

The provision of courses for people starting small businesses has been recommended since these people have different needs from those in established businesses. Significant economic and social barriers appear to hinder the development of new businesses and careful planning, prior to setting up, has been correlated with business success. The adoption of sound business practices from the start may also ensure survival of the company. Courses addressing these issues are likely to benefit new, small business people who would be most likely to have relatively open and flexible attitudes to new types of problems and whose time, prior to start-up of the business, would be less limited than that of managers in existing businesses.

Small business people often have difficulties in identifying specific problems that they face and identification of problems should be a key area to address any training programme (Gibb).

DIRECTIONS

The aim of this study is to establish the assistance needs of immigrant entrepreneurs and to identify barriers to their access to business support services to provide that assistance. This information will be used to formulate recommendations about ways that business support services can be adapted to make them more accessible to immigrant small business people and more relevant to immigrant needs. The aims of the study reflect the aims of the Federal Government's Access and Equity Strategy and the Government's recognition that minority groups must be given an equal opportunity to realize their social and economic potential.

The limited access of immigrant small business people to support services is as a result of two factors.

First, their enterprises are small and typically lack the resources to make use of support services. Second, as immigrants they may lack language skills or knowledge of the social and business context necessary to access support services.

As previously documented, access of small business people to support services generally is limited for a number of reasons. Limitations in time and resources can prevent them from seeking external advice until absolutely necessary and the small scale of their operations may mean that they have relatively few external contacts and may be unaware of appropriate support agencies. A lack of experience and knowledge in certain areas cause small business people to disregard vital areas of their businesses and time constraints may cause them to give little attention to long-term planning.

These problems produce difficulties in identifying the cause and nature of their problems which may, in turn, prevent them from identifying appropriate sources of assistance and receiving appropriate assistance from support agencies when they do approach them.

It is hypothesized that immigrant small business people are likely to suffer additional problems in obtaining business assistance because of cultural and language differences.

These problems are probably most acute for people from non-English speaking backgrounds. Social and cultural differences may result in immigrants being unaware of potential business problems and appropriate means of identifying and planning for them. Inexperience with the Australian business context may make it difficult for the immigrant small business person to identify and contact appropriate providers of business support and get the assistance they require.

A lack of familiarity with the Australian social and business context may also affect the business practices and outlook of immigrant entrepreneurs. This would presumably be most noticeable for immigrants used to doing business in a different way in their country of origin, particularly if they have done business overseas for an extended period. The uniqueness of the Australian market and our isolation would necessitate some immigrant entrepreneurs to make significant adaptations to their business and marketing methods.

Familiarity with different business practices overseas may affect the use of support services by immigrant small business people. Different business practices in Australia may lead to a distrust of external support agencies by immigrant entrepreneurs and

familiarity with a different system of business networks in their country of origin may leave some of them unsure where to go for help.

Language difficulties may also contribute to ignorance of available support services. Immigrants unable to speak English fluently may be hesitant in approaching agencies because of potential difficulties in explaining problems to advisors. Past dissatisfactions with support services resulting from problems associated with cultural and language differences may also make immigrant entrepreneurs loath to try these services again.

This study seeks to identify the factors which pose significant barriers to the access of immigrant small business people to support services. In addition, problems associated with the use of these services will be identified. These findings will be used to generalise directions for improvement in access to these services.

RESEARCH METHODOLOGY

It has been posited that the access of immigrant small business people to small business support services will be influenced by the fact that they are immigrants and by the limited resources of their enterprises.

The study focused on the factors affecting access which related to the small business person being an immigrant while recognising and taking account of the factors which would influence the access to support services of any small business.

It focused therefore on three factors affecting access for immigrants:

- English language competence
- experience and understanding of the Australian social and business context
- overseas business experience

These factors were examined to establish whether or not they influenced the access of immigrant small business people to support services through their:

- awareness of business problems and opportunities
- awareness of assistance providers
- ability to make contact with assistance providers
- ability to get business assistance

In order to elaborate on these factors and place them into some context, biographical data on the immigrant small business person and the enterprise was collected.

Data Collection

1. Introduction

Two instruments were used to collect data for the study - a structured interview and focus/qualitative discussion groups.

In the case of both instruments, strict confidentiality was required by the small business people who were interviewed and who participated in group discussions.

This confidentiality was a key to the co-operation of the majority of immigrant small business people involved in the study.

Data was collected over a period of three months between May and July 1989.

2. Sample

Business people who had been born overseas and who owned and managed an enterprise employing up to ~0 people, were the subject of this study.

Immigrants from Asia, the Middle East and Europe were included in the sample with some emphasis on those from Asia and the Middle East. This emphasis arose out of a concern to examine the experience of more recent arrivals to Australia as well as those who had been resident here for considerably longer periods.

It was not intended therefore that the sample would reflect the national ethnic composition or the composition of those immigrants in business in Australia.

The sample was further focused by the targeting of small businesses in the manufacturing and service sectors and enterprises which were exporting or intended to export.

The targeting of the manufacturing and services sectors did not exclude however enterprises from a range of other industry sectors. Because the sample selection was based on enterprises in the Melbourne metropolitan area there were no businesses within the agricultural or mining sector included within the sample. The sample also did not include enterprises in the electricity, gas and water sector, communications, and public administration and defence sectors. This is largely due to the limited number of small enterprises in these sectors.

The sample was also focused at the small end of the small business continuum. This meant that small businesses employing one to ten people were most prominent.

3. Interview Schedule

The interview schedule developed specifically for this study contained questions on the biographical background and history of the owner/manager, the characteristics of the enterprise, and various factors affecting access to small business support services (see appendix 1).

The information on and attitudes of interviewees were registered for a majority of items in the schedule on a Likert scale.

Some questions contained both unprompted and prompted phases.

When a question was asked without prompting, attitudes and concerns which were most relevant and important to the interviewee tended to be elicited. Unprompted questions also had the potential to elicit responses which may not have been predicted by the researchers.

Following unprompted answers interviewees were often prompted with possible responses which could be relevant to them. This assisted in bringing particular issues to the minds of the interviewees and ensured that the researcher's interests were adequately canvassed.

As a consequence of prompting a larger number of responses were elicited from interviewees.

Questions in the interview schedule were framed on the basis of a review of the literature, the researchers own experience in the area and on the basis of the views of immigrant small business people which were expressed in discussion group sessions.

Potential interviewees were identified through a range of sources.

A very important source was the Victorian Government's manufacturing directory which was used specifically to identify immigrant small business people who were exporters. It was also used to identify a range of non-exporters in the manufacturing sector in Victoria.

Other important sources of interviewees were ethnic trade directories especially within the Asian business communities.

Some interviewees were also identified with the co-operation of a number of ethnic Chambers of Commerce.

Potential interviewees were initially contacted by telephone. The objectives of the study were explained to them and an appointment was arranged to conduct the interview. Those who did not immediately agree to an interview but showed some interest were followed up by a letter.

This approach proved relatively successful in that approximately 66% of those contacted agreed to participate in the study.

The interview schedule was pilot tested on a total of 12 immigrant small business people. The structure of the schedule and the wording of some questions was changed on the basis of this test.

A team of 9 interviewers was used to undertake the interviews, including 6 who were multilingual covering Vietnamese, Chinese, Turkish and Italian languages.

Interviewers were involved in extensive training which included a careful explanation of the objectives of the study; discussion and study of the characteristics of small business and immigrant small business in particular; detailed group discussion of the items in the interview schedule and the manner in which they were to be presented to the interviewee.

The interview team met regularly throughout the interview phase to discuss their experiences and the problems they faced. This approach sought to ensure consistency of approach by the interviewers.

Participants were interviewed once for a period of one to one and a half hours. They were interviewed in a language of their choice.

Following the interview, interviewers coded the responses using an agreed coding form and consistent codes.

The coding of all interviews was checked by one researcher who had both interview and coding experience.

Coded interviews were inputted into a computer program. The data was checked twice to ensure that the coded interviews had been accurately transcribed into computer readable form.

4. Discussion Groups

Two discussion groups comprising five immigrant small business people two major ethnic communities respectively were convened twice during the period of the study.

These groups provided guidance on the content and wording of the interview and assisted in the interpretation of the data that was collected through the interviews.

These groups helped to enrich the analysis of the interview data.

Analysis of Interview Data

Data generated by the interview were statistically analysed in two ways using the Statistical Package for Social Scientists.

First, frequency scores for each item were calculated on the basis of a simple summation of the scores.

Where an interviewee was unable or unwilling to provide a response to a question or in cases where a question was omitted by an interviewer, frequency calculations were adjusted for this missing data. In the frequency tables which follow these appear as 'missing'.

Statistical analysis of frequencies provided the basis for drawing a profile of the immigrant small business people, their enterprises and the access issues which they faced.

Second, cross tabulation of data was undertaken to explore and elaborate the implications of the data for the questions and hypotheses posed by the study.

Cross tabulation enabled specific variable to be examined in detail and to partition the responses of interviewees so that the importance of particular factors could be established. In particular cross tabulation of data relating to English language competence, experience in the Australian social and business context, and overseas experience was carried out.

These factors were examined in detail to establish whether or not they influenced access at all points of the search process at the point of identifying the problem or opportunity, of establishing appropriate sources of support and to actually receiving small business support.

The data was analysed by comparing those interviewees who scored above a cutoff point on a particular variable (e.g. ability to communicate in English) with those who scored below that point. This provided the basis for comparison of two groups of immigrant small business people across the range of variables which were hypothesised to affect access to small business support services.

Exploratory Study

This study represents an exploratory extension of the limited international and Australian research which has been undertaken in this area. It is a significant but still exploratory study of the access of immigrant small business people to small business support services.

Analysis of the data reflects the exploratory nature of this study. As far as possible quantitative analytical techniques have been applied. In some cases however strict quantitative analysis has not been possible due to the constraints of sample size.

Quantitative data has been supplemented wherever possible with qualitative analysis based on information from interviews and discussion groups.

CHAPTER 2: PROFILE OF IMMIGRANT SMALL BUSINESS PEOPLE

INTRODUCTION

A total of 212 immigrant small business people from Europe, Asia and the Middle East were the subject of this study. This section sets out the data which was collected on the characteristics of the immigrant entrepreneurs and their businesses. The data describing business problems and the use of support services are then presented.

Country of Origin

The countries of origin (Table 2.1) reflected the aim of the study to target more recent immigrants and to contrast them with longer term immigrants. Approximately 26% of the respondents were from the Middle East (mainly Turkey), 12% from Greece, 9% from Italy, 9% from other parts of Europe (including Eastern Europe), 7% from England and Ireland, 19% from Vietnam and 18% from other parts of Asia. Eighty two percent of those interviewed were from non-English speaking backgrounds.

Table 2.1: COUNTRY OF BIRTH

	Frequency	%	Cum %
Italy	18	8.5	8.5
Greece	25	11.8	20.3
Middle East	54	25.5	45.8
East Europe	11	5.2	50.9
Vietnam	41	19.3	70.3
Other Europe	9	4.2	74.5
English or Irish	15	7.1	81.6
Other Asian	37	17.5	99.1
Other	2	.9	100.0
Total	212	100.0	

Industry Classification

The immigrant entrepreneurs were involved in a broad range of industry sectors (cf Table 2.2). Over half (53.5%) of the sample were involved in manufacturing, which included clothing, furniture, printing, jewellery and silverware manufacture. The other major business types included retail trade (16.3%), (including grocers and hardware stores) and wholesale trade (8.9%).

Entertainment and recreational services, which predominantly referred to cafes and restaurants, made up a further 8.9% of the total sample. Other business types included finance and business services (6.9%), transport (2.5%) and community service (2.5%).

Table 2.2: INDUSTRY CLASSIFICATION

	Frequency	Valid Percent
Manufacturing	108	53.5
Construction	1	0.5
Wholesale	18	8.9
Retail	33	16.3
Transport	5	2.5
Finance Services	14	6.9
Community Service	5	2.5
Entertainment/ Recreation	18	8.9
	10	MISSING
	<hr/> 212	<hr/> 100.0

Characteristics of Immigrant Entrepreneurs

a) Background

Over 80% of the immigrant entrepreneurs in the study were aged from 30 to 59. Approximately 35% of the total sample were in the 40 to 49 age group, 28% were aged 30 to 39 and 18% were aged from 50 to 59. Twelve percent of the small business people were under 30 and 6% were over 60. Sixteen percent of those interviewed were women.

Many individuals who were interviewed had lived in Australia for some time. In particular, 36.2% of the total sample had been resident in Australia for more than 20 years (cf Table 2.3). Almost 8% of the sample had lived in Australia for up to five years. The remaining 34% had lived in Australia for between 11 and 20 years.

Approximately 52% of the sample said they never experienced language problems and a further 12.7% encountered these problems only once or twice (cf Table 2.4). Nearly 35% of the sample admitted to experiencing language problems sometimes, most, or all of the time.

These figures appear to reflect both the extended period for which some of the immigrant small business people in the sample had lived in Australia and the English speaking ability of immigrants from regions in which English is taught as a second language.

Approximately 43% of the sample came to Australia under a family migration program (cf Table 2.5). Another 21% entered Australia as refugees and were predominantly from Vietnam or Asia. Almost 20% entered under independent or concessional programs. Only 10.4% of the immigrant entrepreneurs entered Australia under skilled occupational and business migration schemes.

Table 2.3: YEARS IN AUSTRALIA

	Frequency	Valid %	Cum %
Under 12 months	1	.5	.5
1 - 2 years	1	.5	1.0
3 - 5 years	14	6.8	7.7
6 - 10 years	45	21.7	29.5
11 - 20 years	71	34.3	63.8
20 + years	75	36.2	100.0
	5	MISSING	
Total	212	100.0	

Table 2.4: PROBLEMS COMMUNICATING IN ENGLISH

	Frequency	%	Cum %
Never	110	51.9	51.9
Once or twice	27	12.7	64.6
Sometimes	47	22.2	86.8
Most times	25	11.8	98.6
All the time	3	1.4	100.0
Total	212	100.0	

b) Education and Work Experience

Approximately 11% of the sample had undertaken less than 7 years formal education (cf Table 2.6) and another 17% had less than 10 years education. Thirty percent had received 11 or 12 years of formal education and 42% had some further education. Nearly 12% of the people interviewed had received a trade certificate and 34% held either a diploma or a degree (cf Table 2.7). Immigrant small business people most commonly had tertiary qualifications in Economics and Commerce (10.4% of the total sample), or Engineering and Science (8.6%) and Arts (6.1%).

A large proportion (77%) of those with trade or tertiary qualifications did not experience language problems while 46% of those with lower qualifications did experience English language difficulties.

Table 2.5: PROGRAM UNDER WHICH IMMIGRATED TO AUSTRALIA

	Frequency	Valid %	Cum %
Family	91	43.3	43.3
Independent or Concessional	41	19.5	62.9
Refugee	44	21.0	83.8
Skilled Occupation	11	5.2	89.0
Business Migration	11	5.2	94.3
Other	12	5.7	100.0
	2	MISSING	
Total	212	100.0	

Table 2.6: YEARS OF FORMAL EDUCATION

	Frequency	%	Cum %
	1	.5	.5
None	2	.9	1.4
1 - 2	1	.5	1.9
3 - 6	19	9.0	10.8
7 - 10	36	17.0	27.8
11 - 12	64	30.2	58.0
13 - 15	29	13.7	71.7
Tertiary	60	28.3	100.0
Total	212	100.0	

Nearly 90% of the immigrant small business people who were interviewed initially worked in Australia as employees, although many tended to stay in employment for a relatively short time before starting up a business. Approximately 16% of the total

sample worked for less than 2 years prior to going into their own business. Many had most commonly worked as employees for between 3 and 5 years (29.7%) and 6 to 10 years (28.8%) (cf Table 2.8). Forty two percent of immigrant entrepreneurs had experience as employees which they felt was useful in the running of their current business.

Table 2.7: HIGHEST QUALIFICATION

	Frequency	%	Cum %
None	38	17.9	17.9
School Certificate	77	36.3	54.2
Trade Certificate	25	11.8	66.0
Diploma	27	12.7	78.8
Degree	45	21.2	100.0
Total	212	100.0	

Table 2.8: TOTAL TIME AS AN EMPLOYEE IN AUSTRALIA

	Frequency	%	Cum %
None	16	7.5	7.5
Under 12 months	9	4.2	11.8
1 - 2 years	29	13.7	25.5
3 - 5 years	63	29.7	55.2
6 - 10 years	61	28.8	84.0
11 - 12 years	27	12.7	96.7
20 + years	7	3.3	100.0
Total	212	100.0	

c) Ownership and Management Experience

The interviewees operated businesses which were at different stages of development. Approximately 29% of the immigrant entrepreneurs had been in their current business for more than 10 years. There were many newly established firms: 23.3% of the businesses had been established for less than 2 years. Thirty percent had been established for 3 to 5 years and a further 24% for less than 10 years (cf Table 2.9).

Over a quarter (26.4%) of the people interviewed had experience in owning and/or managing a business overseas (cf Table 2.10). Of these, 30% had managed their overseas businesses for more than 10 years and 55% had done so for between 5 and 10 years. Forty six percent of these overseas businesses were similar to the immigrant entrepreneur's current business. In addition, roughly 32% of the immigrant small business people had owned and managed another business in Australia, of which 48% had been in operation for more than 5 years (cf Table 2.11).

Table 2.9: TIME IN THIS BUSINESS IN AUSTRALIA

	Frequency	Valid %	Cum %
Up to 12 months	13	6.2	6.2
1 - 2 years	23	11.0	17.1
3 - 5 years	62	29.5	46.7
6 - 10 years	51	24.3	71.0
11 - 20 years	39	18.6	89.5
20 + years	22	10.5	100.0
	2	2	.0
	2	MISSING	
Total	212	100.0	

These businesses were commonly involved in manufacturing, retail and entertainment sectors. Some of these businesses were, or had been, operated concurrently with the present business and 15% of the immigrant entrepreneurs currently managed another business in Australia or overseas.

Table 2.10: EXPERIENCE IN MANAGEMENT OF OWN BUSINESS OVERSEAS

	Frequency	Valid %	Cum %
None	156	73.6	73.6
Less than 2 years	5	2.4	75.9
2 - 5 years	15	7.1	83.0
5 - 10 years	19	9.0	92.0
10 - 20 years	12	5.7	97.6
20 + years	5	2.4	100.0
Total	212	100.0	

Approximately 25% of the interviewees had managerial experience as employees in Australia prior to starting up their business. This was generally for less than 10 years (85% of cases) (cf Table 2.12).

Nearly 72% of those interviewed had no formal management training and only 9.6% percent of the total sample had management qualifications from a tertiary institution while 16% had attended short courses and seminars (cf Table 2.13).

Table 2.11: TOTAL TIME IN OTHER BUSINESS IN AUSTRALIA

	Frequency	Valid %	Cum %
Less than 12 months	10	4.8	4.8
1 - 2 years	10	4.8	9.5
3 - 5 years	15	7.1	16.7
6 - 10 years	16	7.6	24.3
11 - 20 years	14	6.7	31.0
20 + years	2	1.0	31.9
None	143	68.1	100.0
	2	MISSING	
Total	212	100.0	

Table 2.12: MANAGEMENT EXPERIENCE AS AN EMPLOYEE IN AUSTRALIA

	Frequency	%	Cum %
None	165	77.9	77.9
Less than two years	9	4.2	82.1
2 - 5 years	17	8.0	90.1
6 - 10 years	14	6.6	96.7
11 - 20 years	6	2.8	99.5
20 + years	1	.5	100.0
Total	212	100.0	

Characteristics of the Firms

Details of companies managed by immigrant small business people were recorded to allow identification of enterprise characteristics affecting access to support services.

Firms employing up to 50 people were targeted, and most (77%) in the study employed fewer than 10 people (cf Table 2.14). Companies with 2 to 5 full time equivalent employees made up 46% of the sample.

Table 2.13: MANAGEMENT TRAINING IN AUSTRALIA OR OVERSEAS

	Frequency	Valid %	Cum %
None	135	71.8	71.8
Tertiary	18	9.6	81.4
Short course	25	13.3	94.7
Seminar	5	2.7	97.3
Other	5	2.7	100.0
	24	MISSING	
Total	212	100.0	

Table 2.14: FULL TIME (EQUIVALENT) EMPLOYEES

	Frequency	Valid %	Cum %
One	13	6.2	6.2
2 - 5	41	19.4	25.6
6 - 10	98	46.4	72.0
11 - 15	25	11.8	83.9
16 - 20	10	4.7	88.6
21 - 30	7	3.3	91.9
31 - 40	10	4.7	96.7
41 - 50	5	2.4	99.1
	2	MISSING	100.0
	1	.5	
Total	212	100.0	

Nearly 20% of the small businesses in the total sample had only a single employee (the owner/manager). Twelve percent of companies employed between 6 and 10 people, 8% employed from 11 to 20 people and another 8% had between 21 and 50 employees.

Approximately 41% of the companies were sole proprietorships, 22% were partnerships and 37% were private companies (cf Table 2.15).

Table 2.15: BUSINESS LEGAL FORM

	Frequency	Valid %	Cum %
Sole Proprietor	86	40.6	40.6
Partnership	47	22.2	62.7
Private Company	78	36.8	99.5
Public Company	1	.5	100.0
Total	212	100.0	

The annual sales revenues of the companies varied considerably (cf Table 2.16). Ten percent had an annual sales revenue of less than \$25,000, 23.1% earned between \$25,000 and \$100,000, and 20.2% earned between \$100,000 and \$300,000. The remaining companies (41.3%) earned more than \$300,000 per annum. Over 30% of immigrant entrepreneurs refused to give details of their annual sales revenue and it is possible that the earnings of many of these companies were relatively low.

Table 2.16: ANNUAL SALES REVENUE

	Frequency	Valid %	Cum %
	7	4.9	4.9
0 - 25	15	10.5	15.4
26 - 50	10	7.0	22.4
51 - 75	10	7.0	29.4
76 - 100	13	9.1	38.5
101 - 150	14	9.8	48.3
151 - 200	8	5.6	53.8
201 - 300	7	4.9	58.7
300 +	59	41.3	100.0
	69	MISSING	
Total	212	100.0	

Just over half the firms had a single manager and a further 32% had two. Six companies (2.8%) had more than 5 managers on their staff (cf Table 2.17).

There was some family participation in the small firms in the study. Almost 30% of the small enterprises employed at least one relative of the owner/manager and over 17% employed two relatives. Nearly 12% employed more than 2 relatives (cf Table 2.18). Forty percent of firms employed no relatives at all.

Table 2.17: NUMBER OF MANAGERIAL STAFF

	Frequency	Valid %	Cum %
	3	1.4	1.4
One	107	50.7	52.1
Two	67	31.8	83.9
3 - 5	28	13.3	97.2
6 - 10	4	1.9	99.1
10 +	2	.9	100.0
	1	MISSING	
Total	212	100.0	

Table 2.18: NUMBER OF RELATIVES EMPLOYED

	Frequency	Valid %	Cum %
None	72	39.1	39.1
One	55	29.9	69.0
Two	32	17.4	86.4
Three	12	6.5	92.9
Four	9	4.9	97.8
Six	3	1.6	99.5
Seven	1	.5	100.0
	28	MISSING	
Total	212	100.0	

Nearly 80% of the immigrant small business people interviewed had established their businesses themselves. Others had purchased successful existing businesses (10.8%) or restructured failing businesses (5.7%) (cf Table 2.19). The most common reason~ for establishing a particular type of business were previous experience in that area of business (45.8%) and technical knowledge (20.8%). Sixteen percent of immigrant small business people went into a particular type of business because it was easy to establish.

Table 2.19: MANNER OF ESTABLISHING FIRM

	Frequency	%	Cum %
Established it themselves	166	78.3	78.3
Purchased business	23	10.8	89.2
Inherited a business	3	1.4	90.6
Restructured a failing business	12	5.7	96.2
Other	8	3.8	100.0
Total	212	100.0	

AREAS OF BUSINESS DIFFICULTY

Main Problems Experienced

When respondents were asked in which areas they had experienced difficulties in business (without being prompted in any way), it was found that the majority (19.8%) had experienced difficulties with the market, while 16.7% had experienced difficulties with finance, 13% with staff and 10.5% in some area other than those common problem areas already identified. At this unprompted stage, 18.5% of respondents claimed they had experienced no difficulties in business (cf Table 2.21).

When interviewees were prompted with possible areas in which they may have experienced business difficulties, slightly different trends were apparent. 11.8% of respondents still claimed that they had no business problems but 33.0% had experienced difficulties with staff, 32.5% with the market, 25.5% with government, 25.5% with finance and 18.9% with purchasing, (cf Table 2.22).

Therefore 15.9% of possible problems represented market problems, 16.1% were staff problems, 12.4% finance problems and 12.4% government problems.

Market problems referred mainly to problems with getting enough work which was related to competition from importers, size of the market and an insufficient number of clients.

Interviewees felt that their products were uncompetitive with imports coming from places like South East Asia where they claimed labor was far less expensive.

The Australian market was recognised to be very small and not a good base for developing new products, and firms were vulnerable to the fluctuating demands of a few clients.

Failure of clients to pay on time also often caused cash flow problems.

Table 2.21: AREAS OF BUSINESS DIFFICULTY (UNPROMPTED)

Respondents listed up to 3 problems

	Frequency	Valid %	Cum %
Products	1	.6	.6
Production	6	3.7	4.3
Purchasing	7	4.3	8.6
Premises	1	.6	9.3
Staff	21	13.0	22.2
Markets	32	19.8	42.0
Finance	27	16.7	58.6
Exporting	3	1.9	60.5
Management	7	4.3	64.8
Government	9	5.6	70.4
Other	17	10.5	80.9
None	30	18.5	99.4
All areas of business	1	.6	100.0
	50	MISSING	
Total	212	100.0	100.0

Table 2.22: AREAS OF BUSINESS DIFFICULTY (PROMPTED)

Respondents listed up to 3 problems

	Frequency	% Valid as % of all problems	% of people who had problem
Products	11	2.5	5.2
Production	25	5.8	11.8
Purchasing	40	9.2	18.9
Premises	27	6.2	12.7
Staff	70	16.1	33.0
Markets	69	15.9	32.5
Finance	54	12.4	25.5
Exporting	17	3.9	8.0
Management	32	7.4	15.0
Government	54	12.4	25.5
Other	15	3.5	7.1
None	25	5.8	11.8
Total	434		

Finance problems referred to three major issues.

Lack of capital meant that in many cases firms did not have the funds to invest in new equipment to increase activity. It also prevented the hiring of new staff and prevented firms from marketing widely to tap the potential market.

Many interviewees said they could not secure a loan because they did not have enough security to back up the loan, and many firms complained of high interest on loans.

Firms also experienced cash flow problems, especially where slow paying debtors meant they lacked cash to pay for their own bills.

Staff problems primarily arose in three areas.

There was a problem getting staff who are suitably qualified, especially in the manufacturing area there were extensive shortages of trained people who could operate machinery or who were skilled in a trade.

Second, Workcare caused considerable problems for immigrant small business people, especially in the manufacturing area. Interviewees felt they lacked control of the process and could not establish effective mechanisms in the occupational health and safety area.

Third, labour regulations relating to overtime, sick leave and Workcare levies, made it expensive for a small business to employ people. Interviewees commented that they found some requirements unclear and inconsistent.

Problems which interviewees identified in relation to Government included high taxes and bureaucracy.

Recurring Problems

Thirty eight percent of small business people said they had no particular problems that kept recurring. However, 12.8% had recurring problems with the market, 13.8% with staff and 9.6% had recurring problems with finance.

Stage at Which Problems Occur

Approximately 12% of the sample had not experienced major problems at any stage of the development of the business. However, 48% of interviewees experienced most of their major problems at the time of establishment of the business.

These problems included lack of work, lack of finance, general English language problems and lack of knowledge and experience. 12.3% of the sample had problems which were ongoing and had not occurred at any particular stage of the development of the business.

Frequency of Considering Problem

Nearly 30% of interviewees considered their problems all the time because they continually encountered problems which needed to be addressed. A further 11.1% considered a problem when it occurred.

In addition to these groups, 22.6% never considered problems on a regular basis but addressed problems as they arose. This included those who claimed to have experienced no difficulty in business (these groups were similar in their approach to anticipating and considering problems in a reactive manner).

Rather than have a 'problem-identification session' at regular intervals, many small business people (63.1%) were therefore constantly confronted with business problems of one sort or another.

In contrast 21% of respondents considered their problems on a weekly basis. Fifteen per cent of respondents considered their problems regularly but less than once a week. These small business people appeared consciously to consider problems in an active manner.

MEANS OF IDENTIFYING AND ESTABLISHING NATURE OF A PROBLEM

Most interviewees identified problems through their own knowledge and experience. They did not actively seek to identify problems, the problems just occurred and became obvious.

Therefore, most problems arose in the course of business and were identified by the owner of the small business rather than through the use of other sources. A third of the interviewees who responded to the question identified problems through their own knowledge and experience.

When interviewees were asked how they went about working out the nature of their problem the majority (62.7%) of respondents used their own knowledge and experience.

This trend also appeared when interviewees were prompted as to ways in which they identified and established the nature of problems. Seventy eight per cent used their own knowledge and experience to identify problems, 4.8% said their employees identified the problem and 2.9% said they identified a problem through their network of business associates (cf Table 2.25).

The majority of respondents used their own knowledge and experience to work out the nature of their problem while 7.2% used the advice of their accountant or bank, 6.7% used information from business associates and 5.3% said their employees established the nature of the problem. Approximately five percent used other sources than those already identified and 4.3% used Government sources (cf Table 2.26).

DIFFICULTIES IN IDENTIFYING OR ESTABLISHING NATURE OF PROBLEM

Sixty four per cent of interviewees said that they had no difficulties in identifying problems because they were obvious. Again, they did not actively seek to identify problems but could easily recognise one when it occurred. Approximately 37% said that they had difficulties establishing the nature of a problem.

Ten per cent reported that language difficulties sometimes hindered them in identifying problems, and 16.6% said that this also hindered them from working out the nature of their problems. Approximately 9% said that they were hindered in establishing the nature of their business problems because the Government was not helpful (cf Tables 2.27 and 2.28).

Table 2.23: MEANS OF IDENTIFYING PROBLEM (UNPROMPTED)

	Frequency	Valid %	Cum %
No problem	21	24.4	24.4
Own knowledge and experience	57	66.3	90.7
Information from business associates	3	3.5	94.2
Advice accountant, bank	2	2.3	96.5
Used government sources	1	1.2	97.7
Other sources	2	2.3	100.0
	126	MISSING	
Total	212	100.0	

Table 2.24: MEANS OF ESTABLISHING NATURE OF PROBLEM (UNPROMPTED)

	Frequency	Valid %	Cum %
No problem	22	26.5	26.5
Own knowledge and experience	52	62.7	89.2
Employees identify it	2	2.4	91.6
Information from business associates	3	3.6	95.2
Advice accountant, bank	1	1.2	96.4
Used government sources	1	1.2	97.6
Other sources	2	2.4	100.0
	129	MISSING	
Total	212	100.0	

Table 2.25: MEANS OF IDENTIFYING THE PROBLEM (PROMPTED)

	Frequency	Valid %	Cum %
No problems	20	9.6	9.6
Own knowledge and experience	164	78.5	88.0
Employees identify it	10	4.8	92.8
Information from business associates	6	2.9	95.7
Advice accountant, bank	2	1.0	96.7
Information Chamber of Commerce or Trade Association	1	.5	97.1
Used government sources	2	1.0	98.1
Other sources	4	1.9	100.0
	3	MISSING	
Total	212	100.0	

Table 2.26: MEANS OF ESTABLISHING NATURE OF PROBLEM (PROMPTED)

	Frequency	Valid %	Cum %
No problems	21	10.0	10.0
Own knowledge and experience	127	60.8	70.8
Employees identify it	11	5.3	76.1
Information from business associate	14	6.7	82.8
Advice accountant, bank	15	7.2	90.0
Information Chamber of Commerce or Trade Association	1	.5	90.4
Consultant advice	1	.5	90.9
Used government sources	9	4.3	95.2
Other sources	10	4.8	100.0
	3	MISSING	
Total	212	100.0	

Table 2.27: DIFFICULTIES IDENTIFYING PROBLEM (PROMPT)

	Frequency	Valid %	Cum %
No problems	29	13.7	13.7
No it was obvious	135	64.0	77.7
No time to get information	5	2.4	80.1
Lack finance and staff	8	3.8	83.9
Experience language problems	21	10.0	93.8
Lack a network of associates	4	1.9	95.7
Lack of business experience	2	.9	96.7
Do not understand business situation	3	1.4	98.1
Trade Association or Chamber of Commerce not helpful	1	.5	98.6
Government not helpful	3	1.4	100.0
	1	MISSING	
Total	212	100.0	

Table 2.28: DIFFICULTIES ESTABLISHING NATURE OF PROBLEM (PROMPTED)

	Frequency	Valid %	Cum %
No problems	34	16.1	16.1
No it was obvious	77	36.5	52.6
No time to get information	11	5.2	57.8
Lack finance and staff	13	6.2	64.0
Experienced language problems	35	16.6	80.6
Lack a network of associates	7	3.3	83.9
Lack of business experience	5	2.4	86.3
Do not understand business situation	6	2.8	89.1
Trade Association or Chamber of Commerce not helpful	3	1.4	90.5
Government is not helpful	20	9.5	100.0
	1	MISSING	
Total	212	100.0	

BUSINESS OPPORTUNITIES

Areas of Business Opportunity

When not prompted in any way, 38.3% of respondents claimed they saw no business opportunities they could become involved in. Of those who did have business opportunities in mind, opportunities in product development were the most common (17.3%), while 13% saw opportunities in the new domestic markets and 13% in exporting. Thirty eight per cent said they had seen business opportunities in all areas (products, production, markets, exporting and importing) (cf Table 2.29).

Table 2.29: AREAS OF BUSINESS OPPORTUNITY (UNPROMPTED)

	Frequency	Valid %	Cum %
Products	29	17.9	17.9
Production	7	4.3	22.2
Markets	21	13.0	35.2
Exporting	21	13.0	48.1
Importing	9	5.6	53.7
Other	6	3.7	57.4
All	4	2.5	59.9
None	62	38.3	98.1
	1	.6	98.8
	2	1.2	100.0
	50	MISSING	
Total	212	100.0	

Thirty five percent of interviewees still claimed they saw no business opportunities when prompted, but of those who did see opportunities, exporting goods was a major opportunity as well as manufacturing/designing new products, or entering new or wider markets. Twenty three percent saw opportunities in exporting, 19.4% in the new domestic market and 15% in new products (cf Table 2.30).

Table 2.30: AREAS OF BUSINESS OPPORTUNITIES (PROMPTED)

	Frequency	Valid % of People who saw Opportunity	Opportunity as % of all options possible
Products	31	15.0	12.7
Production	16	7.8	6.5
Markets	46	19.4	16.3
Exporting	47	22.8	19.2
Importing	15	7.3	6.1
Other	15	7.3	6.1
All	8	3.9	3.3
None	73	35.4	29.8
Total	245		

Of all possible opportunities perceived, exporting represented 19.2% of opportunities, market 16.3% and products 12.7%.

Problems in Pursuing Opportunities

Over fifteen percent reported they had no problems in pursuing the opportunities they saw, but this included those who had not actively pursued their opportunities. Many had formulated ideas but had not tried to carry them through. Therefore they had experienced no problems at that stage.

To 39.4% of cases this question was not applicable either because they had no business opportunities in mind or, if they had ideas, they had not yet tried to pursue the ideas. Lack of finance prevented 19.7% of respondents from pursuing business opportunities.

Eight percent had problems with the market in pursuing their opportunity (cf Table 2.31).

Table 2.31: PROBLEMS PURSUING OPPORTUNITY

	Frequency	Valid %	Cum %
Not applicable	80	39.4	39.4
Lack of skilled people	11	5.4	44.8
Lack of finance	40	19.7	64.5
Insufficient technology	2	1.0	65.5
Government bureaucracy	15	7.4	72.9
Problems with suppliers	5	2.5	75.4
Market	16	7.9	83.3
Production	3	1.5	84.7
No problem	31	15.3	100.0
	9	MISSING	
Total	212	100.0	

EXPORTING

Almost 14% of the businesses interviewed currently export. A further 16% expect to be exporting in 5 years time. This includes 23 firms (10.8%) which expect to export but do not know how much.

Five percent of the sample (or 31% of those who export) derive 1-5% of their annual sales revenue from exports overseas and 4.1% of the sample (or 27.6% of those who export) derive 6-10% of their annual sales revenue from exports overseas. Three per cent of firms derive in excess of 50% of their revenue from exports.

Looking ahead 5 years most of those who expect to be exporting (7.6% of the sample or 23.8% of potential exporters) expect that 21-50% of their sales revenue will be from exports and 5.1% of the sample (or 15.9% of potential exporters) expect that exporting will constitute 51-100% of their sales revenue. One third of businesses interviewed could be potential exporters in 5 years time. This indicates a potential growth in exporting over the next 5 years (cf Tables 2.32 and 2.33).

Target Country for Export

Of those businesses which currently export or intend to export, Asia is the most common target. Thirteen percent of the sample export or intend to export to Asia, 10.0% to the Middle East, 7.1% to New Zealand and 6.2% to the U.S.A. (cf Table 2.34).

In general exports are to the small business person's country of origin, and to Asia and New Zealand.

Table 2.32: CURRENT EXPORTS - PROPORTION OF SALES

	Frequency	Valid %	Cum %
0%	168	85.2	85.3
1 - 5%	9	4.6	89.8
6 - 10%	8	4.1	93.9
11 - 20%	3	1.5	95.4
21 - 50%	3	1.5	97.0
51 - 100%	6	3.0	100.0
	15	MISSING	
Total	212	100.0	

Table 2.33: FUTURE EXPORTS - PROPORTION OF SALES

	Frequency	Valid %	Cum %
0%	135	68.2	68.2
1 - 5%	7	3.5	71.7
6 - 10%	5	2.5	74.2
11 - 20%	3	1.5	75.8
21 - 50%	15	7.6	83.3
51 - 100%	10	5.1	88.4
Do not know	23	11.6	100.0
	14	MISSING	
Total	212	100.0	

Opportunity to Export to These Countries

The majority of businesses (47.2% of those who export or intend to export, or 16.4% of the sample) rate the opportunity to export to the country of their choice as good, and 13.9% (4.8% of the sample) as fair. Approximately fifteen percent of exporters/potential exporters (or 5.3% of the sample) rate their export opportunity as poor. It seems that the majority of immigrant small business people who export or intend to export rate their opportunities to do so as fair to excellent (81.9%). Only 2.8% (1.0% of the sample) rated their opportunity as very poor.

Table 2.34: COUNTRY TO WHICH WILL EXPORT

	Frequency	Valid % of Exporters/Intenders
Italy	1	1.9
Greece	1	0.5
UK/Ireland	10	4.8
Rest of Europe	9	4.3
Middle East	21	10.0
Asia	28	13.3
USA	13	6.2
New Zealand	15	7.1
Vietnam	2	1.0
Other	2	1.0
Do not know	10	4.8
Total	115	

Product or Service (to be) Exported

The majority of businesses (26.5% of exporters/potential exporters or 8.7% of the sample) export or intend to export food, beverage or tobacco products; 11.8% (or 3.9% of the sample) textiles, and a smaller proportion in machinery and equipment and fabricated metal products. Nine percent (or 3% of the sample) export, or intend to export property, business or health services (cf Table 2.35).

BUSINESS CONTACTS OVERSEAS

Over one third (38.3%) of businesses have no business contacts overseas. Of those which did have overseas contacts, most were informal contacts, i.e. friends or relatives (18.7% of interviewees). Eighteen percent of interviewees had business associate contacts overseas, and 14.4% had import/export agent contacts (cf Table 2.36).

Importance of Overseas Contacts for Exporting

Thirteen percent of the sample rated overseas contacts as not at all important in developing exports. A majority of these had business contacts but did not export or intend to export. Therefore, their overseas contacts were not important to them for exporting. Nine percent of the sample rated their overseas contacts as fairly important while 21.3% of respondents rated their overseas contacts as very important and 13% as vital in developing export sales.

The remaining 43.7% had no overseas contacts and were not included in the analysis.

Generally a business with overseas contacts which exports or intends to export regarded these overseas business contacts as important in developing exports.

Table 2.35: PRODUCT OR SERVICE (TO BE) EXPORTED

	Frequency	Valid % of Sample	% of Exporters/ Intenders
Food, beer, tobacco	18	8.7	26.5
Textiles	8	3.9	11.8
Clothing, footwear	5	2.5	7.4
Paper products	4	2.0	5.9
Chemical/petroleum products	4	2.0	5.9
Non-metallic mineral products	2	1.0	2.9
Fabricated metal products	8	3.9	11.8
Machinery and equipment	8	3.9	11.8
Misc. manufactured products	5	2.5	7.4
Property, business, health services	6	3.0	8.8
Total	68		

How Established Contacts

Twenty two percent of the sample established their contacts through overseas trips, or already had these contacts in the form of relatives (10%) or personal contacts (8.1%). It seems that most immigrant small business people had established contacts via their own direct, personal efforts or through an informal network of friends and relatives. The majority of those with contacts overseas established these contacts after they came to live in Australia (71.7% of interviewees with contacts overseas or 43.3% of the sample).

Table 2.36: TYPE OF BUSINESS CONTACTS OVERSEAS

	Frequency	Valid %	Cum %
Branch Office	14	6.7	6.7
Import Export Agent	30	14.4	21.1
Friends and Relatives	39	18.7	39.7
Business Associates	37	17.7	57.4
Other	9	4.3	61.7
None	80	38.3	100.0
	3	MISSING	
Total	212	100.0	

The majority of respondents with overseas contacts (83%) found that it was not difficult to establish these contacts. Only 3.2% (or 1.9% of the sample) found it extremely difficult and 10.3% (or 6.2% of the sample) found it quite difficult.

Government Assistance in Establishing Overseas Contacts

Forty two percent of respondents did not know how the Government could help them to establish overseas business contacts, and 14.2% believed the government could not help. This indicates a significant lack of knowledge of options for Government assistance in the area of exporting.

Of those who did have views on appropriate Government assistance, 28% (9% of the sample) thought that providing lists of contacts or monitoring overseas trade, and a

further 28% felt maintaining contacts would be the most helpful things the Government could do. Sixteen percent of those identifying potential means of assistance felt the Government should act as an intermediary in establishing and maintaining overseas contacts and trade. They felt that Government to Government relationships should be established to create overseas export opportunities for them and to facilitate contact with industry, trade associations and individual enterprises.

A significant portion (25%) also suggested other ways the Government could help. These included establishing a 'small business Austrade' providing specific information on the demand for and ways to export particular products; and a booklet on how to export.

Nine percent of respondents felt that they had no need for overseas contacts and thus no need for Government assistance in this area.

ORGANISATIONS PROVIDING BUSINESS ASSISTANCE

A large portion of the sample (46.3%) could not name any organisations providing business assistance when not prompted in any way.

Nineteen percent named Chambers of Commerce, 12.7% identified trade associations and 11.7% cited the SBDC as sources of business assistance. Approximately 28% cited some other organisation, mainly accountants or friends.

Interviewees were asked to comment on specific assistance providers including accountants, lawyers, trade associations, the SBDC and DITR.

Table 2.37: ORGANISATION PROVIDING BUSINESS ASSISTANCE

	Frequency	% of People Naming an Organisation	% of Possible Organisations Named
Chamber of Commerce	39	19.0	15.2
Trade Association	26	12.7	10.2
SBDC	24	11.7	9.4
DITR	6	2.9	2.3
None	95	46.3	37.1
Other	57	27.8	22.3
Total	256		

Accountants

Nearly 95% of the sample had used accountants, indicating that they were a well-known and frequently-used source of business assistance.

The accountant completed tax returns for 84.3% of businesses, performed book-keeping for 53.3% and gave financial advice to 41.9%. Tax returns accounted for 44.3% of activities performed by accountants, book-keeping accounted for 28% and financial advice accounted for 22.1% (cf Table 2.38).

A significant proportion of interviewees, 31.4%, were aware of accountants through their general knowledge of Australian business practice, 19.5% were aware through personal contact and 10.5% through a network of business associates. Fifteen percent had heard of accountants through some other source (cf Table 2.39). These other sources included personal friends, professional associations and the Victorian Woman's Trust. Their awareness tended to reflect the way they selected their own accountant given the importance and extensive use of accountants in Australian business.

Accountants were used mainly on an annual basis (28.4%) or on a monthly basis (28.8%). Almost 19% of the sample used accountants continuously or once a week.

Accountants provided assistance in taxation and other areas (group tax, processing of accounts, business advice) related to the Government for approximately 70% of

interviewees, and gave financial advice to 40% of the sample. Help in the area of Government made up 47.7% of possible areas the accountant gave assistance in, while the area of finance made up 27.8%.

Table 2.38: ACCOUNTANTS - ACTIVITIES

	Frequency	% of Firms	% of Services Provided
Tax returns etc.	177	84.3	44.2
Book-keeping	112	53.3	28.0
Financial advice	88	41.9	22.0
Other	23	11.0	5.8
Total	400		

Table 2.39: MEANS OF AWARENESS OF ACCOUNTANTS

	Frequency	Valid %	Cum %
Not applicable	11	5.2	5.2
Information from employees/ partners	13	6.2	11.4
Advertising	19	9.0	20.5
Knowledge of business practices	66	31.4	51.9
Network of business associates	22	10.5	62.4
In-house accountant	6	2.9	65.2
Personal contact	41	19.5	84.8
Other	32	15.2	100.0
	2	MISSING	
Total	212	100.0	

Nearly 65% of interviewees regarded the accountant's helpfulness as good and 58.5% regarded their efficiency similarly. Approximately 12% of the sample regarded their accountant's helpfulness as excellent. Only 3.4% regarded the accountant's helpfulness as not very good or poor, while 6.3% regarded efficiency as not very good or poor (cf Tables 2.41 and 2.42).

Table 2.40: AREAS OF ASSISTANCE FROM ACCOUNTANTS

	Frequency	% of Firms Receiving Assistance	% of Possible Areas of Assistance
Products	3	1.4	1.0
Production	5	2.4	1.6
Premises	12	5.7	3.9
Staff	2	1.0	.7
Market	17	8.1	5.6
Finance	85	20.5	27.8
Exporting	4	1.9	1.3
Management	21	10.0	6.9
Government	146	69.5	47.7
Other	40	19.0	13.1
All areas of business	10	4.8	3.3
None	1	.5	.3
Total	306		

Table 2.41: HELPFULNESS OF ACCOUNTANTS

	Frequency	Valid %	Cum %
Not Applicable	12	5.7	5.7
Excellent	25	11.9	17.6
Good	137	65.2	82.9
Neither good nor bad	29	13.8	96.7
Not very good	5	2.4	99.0
Poor	2	1.0	100.0
	2	MISSING	
Total	212	100.0	

Accountants were seen as helpful in providing information (62.9% of interviewees) and giving advice (67.1%) (cf Table 2.43). Seventy five percent of interviewees said there were no ways in which accountants were not helpful (cf Table 2.44).

Table 2.42: EFFICIENCY OF ACCOUNTANTS

	Frequency	Valid %	Cum %
Not Applicable	12	5.7	5.7
Excellent	25	12.0	17.7
Good	124	59.3	77.0
Neither good nor bad	35	16.7	93.8
Not very good	11	5.3	99.0
Poor	2	1.0	100.0
	3	MISSING	
Total	212	100.0	

Table 2.43: WAYS IN WHICH ACCOUNTANT HELPFUL

	Frequency	%
Provided information	132	62.9
Referral to expert	27	12.9
Advised on what to do	141	67.1
Provided access to finance	15	7.1
None	12	5.7
Total	327	

If the accountant had been unhelpful in some way, it was mainly in the area of Government (especially where the accountant failed to reduce the business person's tax) (cf Table 2.45).

Generally immigrant small business people appeared satisfied with services provided by accountants. Nearly 50% of respondents rated their accountant's services as very good, 13.7% as excellent and 29% as fair. Only 1.6% regarded their accountant's services as anything less than fair.

Approximately 4% of interviewees had not used accountants because they did not see the need.

Lawyers

Nearly 85% of respondents had used lawyers at some stage. Major activities lawyers performed were business contracts (for 47.5% of interviewees), chasing debtors (21.3%) and giving personal legal advice (29.5%) (cf Table 2.46).

Table 2.44: WAYS IN WHICH ACCOUNTANTS NOT HELPFUL

	Frequency	Valid %	Cum %
Not applicable	19	9.1	9.1
No assistance in areas required	14	6.7	15.9
Assistance not appropriate	8	3.8	19.7
Too slow	6	2.9	97.6
Too expensive	4	1.9	99.5
Other	1	.5	100.0
None	156	75.0	94.7
	4	MISSING	
Total	212	100.0	

Table 2.45: AREAS IN WHICH ACCOUNTANTS' ASSISTANCE INADEQUATE

	Frequency	%
Products	1	0.5
Premises	1	0.5
Market	5	2.5
Finance	7	3.4
Exporting	5	2.5
Government	12	5.9
Other	3	1.5
All areas	1	0.5
Total	35	

The majority of respondents (32.2%) knew of lawyers through their knowledge of how business was done in Australia, and 20.8% knew of the lawyer's services through personal contact (cf Table 2.47).

Lawyers' services were typically used once a year (for 18.5% of respondents). Fifteen percent used a lawyer once every 6 months and 13.2% had only used a lawyer once. Six percent of interviewees used lawyers continuously or once a week. Eight percent used them monthly, 11% quarterly and 14% half yearly (cf Table 2.48).

Table 2.46: ACTIVITIES PERFORMED BY LAWYER

	Frequency	%
Contacting debtors	39	21.3
Business contracts	87	47.5
Legal advice	54	29.5
Conveyancing	29	15.9
Setting up business	15	8.2
Staff disputes	4	2.2
Finance	3	1.6
Other	31	17.0
Total	262	

Table 2.47: MEANS OF AWARENESS OF LAWYERS

	Frequency	Valid %	Cum %
Not applicable	29	15.9	15.9
Informed by employee/partner	16	8.8	24.8
Advertising	13	7.1	31.9
Knowledge of business practices	59	32.4	64.4
Network of business associates	16	8.8	73.2
Personal contact	38	20.8	94.0
Other	11	6.0	100.0
	30	MISSING	
Total	212	100.0	

Major areas of assistance provided by lawyers included assistance with premises (for 43.7% of respondents) which referred mainly to conveyancing, or with business contracts and general legal advice (43.7% of the sample) (cf Table 2.49).

Thirteen per cent of assistance received was with finance and a further 13% related to Government matters.

Table 2.48: FREQUENCY OF USE OF LAWYERS

	Frequency	Valid %	Cum %
Not applicable	29	16.8	16.8
All the time	8	4.6	21.4
Once a week	3	1.7	23.1
Once a month	14	8.1	31.2
Once every 3 months	19	11.0	42.2
Once every 6 months	25	14.5	56.6
Once a year	32	18.5	75.1
Less than once a year	15	8.7	83.8
Once only	28	16.2	100.0
	39	MISSING	
Total	212	100.0	

Table 2.49: AREAS OF ASSISTANCE PROVIDED BY LAWYERS

	Frequency	%
Products	10	5.5
Production	4	2.2
Premises	80	43.7
Market	7	3.8
Finance	24	13.1
Exporting	3	1.6
Management	5	2.7
Government	24	13.1
Other	80	43.7
All areas	5	2.7
Total	242	

The majority of interviewees (69.4%) regarded the helpfulness of their lawyer as good or excellent. Only 2.7% regarded the lawyer's services as not very good or poor. Sixty one percent of interviewees regarded the efficiency of lawyers as good or excellent, and only 4.3% as not very good or poor.

Lawyers were helpful in playing an advisory role (for 67% of respondents) or in providing information (55.5%) (cf Table 2.50).

Table 2.50: WAYS IN WHICH LAWYER HELPFUL

	Frequency	%
Provided information	101	55.5
Referral to expert	8	4.4
Advised on what to do	122	67.0
Just did their job	6	3.3
None	2	1.1
Total	239	

Over 80% of interviewees who had used lawyers said there were no ways in which their lawyer had not been helpful (cf Table 2.51). The majority of respondents for whom the lawyer had been unhelpful said it was to do with expense. (4.4% of the sample).

Table 2.51: WAYS IN WHICH LAWYERS NOT HELPFUL

	Frequency	Valid %	Cum %
Not applicable	35	19.1	19.1
No assistance in areas required	7	3.8	23.0
Assistance not appropriate	4	2.2	25.1
None	123	67.2	92.3
Too slow	5	2.7	95.1
Too expensive	8	4.4	99.5
Other	1	.5	100.0
	29	MISSING	
Total	212	100.0	

The majority of respondents (53%) rated their lawyer's services as very good or excellent, and 29% as fair. Only 2.1% regarded their lawyer's services as poor or very poor.

Of those who had not used lawyers, the majority did not because they did not see the need (14.2% of the sample).

The majority of immigrant small business people had used lawyers at least once, mainly for such things as business contracts or general business legal advice. Generally the lawyer was perceived as helpful to the business person.

Consultants

The majority of respondents (82.4%) had not used consultants. Those who had used consultants generally used them in marketing areas (7.5% of interviewees) (cf Table 2.52).

Table 2.52: TYPE OF CONSULTANT USED

	Frequency	Valid %	Cum %
None	169	84.5	84.5
Marketing	15	7.5	92.0
Engineering	4	2.0	94.0
Management	1	.5	94.5
Finance	4	2.0	100.0
Other	7	3.5	98.0
	12	MISSING	
Total	212	100.0	

The major activities consultants performed were giving advice on running a business (for 6.2% of respondents) or other activities not already identified (7.6% of respondents) (cf Table 2.56). These included marketing advice, financial advice and advice on starting a

business. Other advice provided covered the areas of sales tax, valuation of the business, real estate and Government assistance.

Of those who had used consultants, the majority had heard of them through advertising (5.7%), through their network of business associates (4.7%) or via some other means (4.7%) (cf Table 2.53).

Twenty nine percent of those who used consultants had only used them once (cf Table 2.55) and 37% used consultants once a month or less.

The major areas of assistance provided by consultants was in marketing (for 6.2% of interviewees) or finance (4.3%) (cf Table 2.57).

Consultants' helpfulness was generally regarded as good (for 5.7% of respondents) or excellent (for 4.7% of respondents), with 4.7% regarding their helpfulness as neither good nor bad. Only 2.8% regarded the helpfulness of consultants as not very good or poor.

Table 2.53: MEANS OF AWARENESS OF CONSULTANTS

	Frequency	Valid %	Cum %
Not applicable	168	79.6	79.6
Information from employees/ partners	3	1.4	81.0
Advertising	12	5.7	86.7
Knowledge of business practices	3	1.4	88.2
Network of business associates	10	4.7	92.9
Trade Association Chamber of Commerce	3	1.4	94.3
Other	10	4.7	99.1
Personal Contact	2	.9	100.0
	1	MISSING	
Total	212	100.0	

Table 2.54: WAYS IN WHICH CONSULTANT HELPFUL

	Frequency	%
Provided information	19	9.0
Referred to expert	5	2.4
Advised on what to do	24	11.4
Provided access to finance	3	1.4
None	4	1.9
Total	55	

Four percent of interviewees regarded the efficiency of consultants as excellent, 5.7% as good and 4.7% as neither good nor bad. Thirty three percent regarded consultants' efficiency as not very good or poor.

Consultants were helpful in providing advice (for 11.4% of respondents) or providing information (9%) (cf Table 2.54).

Of those who had used consultants, the majority of respondents said there were no ways in which they were not helpful (10.4% of respondents) (cf Table 2.58). If they were unhelpful, it was mainly in the areas of market (for 1.9% of respondents) or production (for 1.4% of respondents).

Table 2.55: FREQUENCY OF USE OF CONSULTANTS

	Frequency	Valid %	Cum %
Never	171	81.8	81.8
All the time	5	2.4	84.2
Once a week	3	1.4	85.6
Once a month	6	2.9	88.5
Once every 3 months	3	1.4	90.0
Once every 6 months	6	2.9	92.8
Once a year	3	1.4	94.3
Less than once a year	1	.5	94.7
Once only	11	5.3	100.0
	3	MISSING	
Total	212	100.0	

Table 2.56: ACTIVITIES PERFORMED BY CONSULTANTS

	Frequency	%
Advice on running business	13	6.2
Advice on starting business	5	2.4
Trouble shooting	4	1.9
Tell people how to run their lives	1	.5
High fees for nothing	2	1.0
Marketing advice	9	4.3
Financial advice	8	3.8
Other	16	7.6
Total	58	

Four percent of respondents rated the services provided by consultants as fair and 8.5% as very good or excellent. Three companies rated the consultants' services as poor or very poor. Most interviewees had not used consultants because they did not see the need (61.6%) and 13.3% had not used consultants because they did not know enough about them.

Table 2.57: AREAS OF ASSISTANCE FROM CONSULTANTS

	Frequency	%
Products	7	3.3
Production	6	2.8
Premises	2	1.0
Market	13	6.2
Finance	9	4.3
Exporting	2	1.0
Government	3	1.4
Other	3	1.4
All areas of business	5	2.4
Total	50	

Table 2.58: WAYS IN WHICH CONSULTANT NOT HELPFUL

	Frequency	Valid %	Cum %
Not applicable	175	82.9	82.9
No assistance in areas required	4	1.9	84.8
Assistance not appropriate	6	2.8	87.7
None	22	10.4	98.1
Too slow	1	.5	98.6
Too expensive	3	1.4	100.0
	1	MISSING	
Total	212	100.0	

Many interviewees had not used consultants because they did not feel the need or because they were ignorant of their services. Those who had used consultants found their services to be of average to excellent standard. Personal knowledge or recommendations via business networks provided the immigrant small business person with information on consultants.

Trade Associations

Over 60% of respondents had heard of a trade association. The remainder who had not heard of a trade association (39.3%) had generally not seen relevant information or advertising (27.1% of the sample).

The majority of those who were aware of a trade association were aware that it provided information on the current state of the industry (21.2% of respondents).

Immigrant entrepreneurs were also aware that trade associations provided information on staffing, award wages, industrial disputes (15.9%) or provided business contacts (11.1%). Twelve percent of interviewees had heard of a trade association but did not know what it did (cf Table 2.59).

Table 2.59: ACTIVITIES PERFORMED BY TRADE ASSOCIATION

	Frequency	%
Provide contacts in business	23	11.1
Provide import/export advice	11	5.3
Provide updated information on state of industry	44	21.2
Provide information on staffing, wages, industrial disputes etc.	33	15.9
Send newsletters	9	4.3
Organise business meetings	12	5.8
Organise social functions	2	1.0
Gives general business information	13	6.3
Does nothing	4	1.9
Negotiate with Trade Unions	5	2.4
Do not know	26	12.5
Total	182	

Immigrant small business people most often knew about a trade association through their own knowledge of Australian business practices (12.8%) or through a network of business associates (11.8%) (cf Table 2.60). They were also aware as a result of information from someone in the business or through their accountant.

The majority of interviewees (76%) had not used a trade association. Of those who had heard of a trade association, 50% had not used one (37.9% of the sample). The main reasons for these interviewees not having used a trade association were not seeing the need (19.4%) or not knowing enough about them (11.8%).

Of those who had used a trade association, 11% used it once a month or more and 3.3% (7 individuals) used it once only (cf Table 2.61). Of these 7 interviewees only one had been in business for two years or less.

Table 2.60: MEANS OF AWARENESS OF TRADE ASSOCIATION

	Frequency	Valid %	Cum %
Not applicable	84	39.8	39.8
Information from employees/ partners	14	6.6	46.4
Advertising	13	6.2	52.6
Knowledge of business in Australia	27	12.8	65.4
Network of business associates	25	11.8	77.3
Advice of Trade Association	13	6.2	83.4
Information from Govt. agencies	2	.9	84.4
Personal contact	9	4.3	88.6
Other	16	7.6	96.2
Media	8	3.8	100.0
	1	MISSING	
Total	212	100.0	

Table 2.61: FREQUENCY OF USE OF TRADE ASSOCIATION

	Frequency	Valid %	Cum %
Never	161	76.3	76.3
All the time	6	2.8	79.1
Once a week	4	1.9	81.0
Once a month	13	6.2	87.2
Once every 3 months	5	2.4	89.6
Once every 6 months	3	1.4	91.0
Once a year	6	2.8	93.8
Less than once a year	1	.5	94.3
Once only	7	3.3	97.6
Simply a member	5	2.4	100.0
	1	MISSING	
Total	212	100.0	

Assistance provided by a trade association was mainly in the areas of market development (for 8.1% of respondents) and human resources/staff (6.2%) (cf Table 2.62).

Table 2.62: AREAS OF ASSISTANCE FROM TRADE ASSOCIATION

	Frequency	%
Products	8	3.8
Production	4	1.9
Staff	13	6.2
Market	17	8.1
Exporting	6	2.9
Management	2	1.0
Government	9	4.3
Other	10	4.8
All areas	7	3.3
None	3	1.4
Total	79	

Seventeen per cent of respondents rated the helpfulness of the trade association as very good or excellent (cf Table 2.63).

Table 2.63: HELPFULNESS OF TRADE ASSOCIATION

	Frequency	Valid %	Cum %
Excellent	161	76.3	76.3
Good	9	4.3	80.6
Neither	27	12.8	93.4
Poor	7	3.3	96.7
Very poor	2	.9	97.6
	5	2.4	100.0
	1	MISSING	
Total	212	100.0	

Only 3% said the trade association's help was poor or very poor. Fifteen percent said the trade association's efficiency was good or excellent and 1.9% said it was poor or very poor.

Trade associations were helpful in providing information (for 16.1% of respondents) or in playing an advisory role (16.4%) (cf Table 2.64).

Table 2.64: WAYS IN WHICH TRADE ASSOCIATION HELPFUL

	Frequency	%
Provided information	34	16.1
Referred me to expert	5	2.4
Advised me what to do	22	10.4
Provided a grant or subsidy	4	1.9
None	3	1.4
Other	2	1.0
Total	70	

Seventeen percent of respondents said there were no ways in which the trade association was not helpful, and 4.3% said there was lack of assistance in areas required.

Eight percent of the interviewees rated services provided by trade associations as fair, 6.9% as very good and 3.7% as excellent. Only 0.5% rated it as poor and 0.5% as very poor.

Small Business Development Corporation (SBDC)

Awareness and use of the services provided by the SBDC was low amongst immigrant small business people. Approximately half of those interviewed (50.2%) were not aware of its existence.

The respondents who had not heard of the SBDC had generally not seen information and advertising about it (77% of cases) although others (19%) said that they were not interested in using it. Immigrant entrepreneurs who had heard of the SBDC were often ignorant about what it did. Only 65% of those who had heard of the SBDC were aware of how it could help them.

Immigrant entrepreneurs were most commonly aware that the SBDC provided advice on running a business (22.9% of the total sample) and help with starting up a business (13.8%) (cf Table 2.65).

Publicity was important in making immigrant small business people aware of the SBDC. The respondents had most commonly heard of the SBDC through advertising (15.6% of the total sample) and through information from Government agencies (5.7%) (cf Table 2.65). Knowledge of Australian business practices, contact with business networks and media coverage also helped make a small proportion of immigrant entrepreneurs aware of the SBDC. Other sources of information on the SBDC included accountants, banks and financial advisors.

Nearly 80% of those who were aware of the SBDC (40.8% of the total sample) had not used its services. This was most commonly because they did not see the need (22% of the sample) or were not sufficiently aware of how it could assist them (9%). A small number of immigrant small business people did not see the SBDC as competent to assist them and a very small number cited language difficulties as the reason they did not use the SBDC.

The proportion of immigrant small business people who used the SBDC on a regular basis was very low and over half the immigrant entrepreneurs who had used the SBDC had used it on a single occasion only.

Table 2.65: SBDC ACTIVITIES

	Frequency	Percent
Helps people starting business	29	13.8
Provides finance at good interest rates	15	7.1
Gives business advice	48	22.9
Other	4	1.9
Don't know	37	17.6
Total	133	

Table 2.66: MEANS OF AWARENESS OF SBDC

	Frequency	Valid %	Cum %
Not applicable	108	51.2	51.2
Information from employees/ partners	4	1.9	53.1
Advertising	33	15.6	68.7
Knowledge of Australian business	10	4.7	73.5
Network of business associates	10	4.7	78.2
Advice of Trade Association	6	2.8	81.0
Information from government agency	12	5.7	86.7
Personal contact	7	3.3	90.0
Other	11	5.2	95.3
Media	10	4.7	100.0
	1	MISSING	
Total	212	100.0	

Table 2.67: FREQUENCY OF USE OF SBDC

	Frequency	Valid %	Cum %
Never	188	89.1	89.1
All the time	3	1.4	90.5
Once a week	1	.5	91.0
Once every 3 months	2	.9	91.9
Less than once a year	4	1.9	93.8
Once only	13	6.2	100.0
	1	MISSING	
Total	212	100.0	

Over one third of the firms which had been assisted by the SBDC received help in areas related to finance while the remainder received assistance in a variety of areas, including exporting and markets. Other areas included importing and advice on administration (cf Table 2.68). This help was most commonly given through the provision of information while a few of the respondents received advice or were referred to experts by the SBDC (cf Table 2.69).

Immigrant entrepreneurs who had used the SBDC were generally satisfied with its helpfulness and efficiency and 14 respondents ranked its service as being good or excellent. Nevertheless, 2 of the respondents had experienced a lack of assistance in the area of finance specifically related to their inability to get Government assistance (cf Table 2.70). There appeared to be satisfaction with the service provided by the SBDC in areas related to marketing and exporting since none of the respondents felt that its service was inadequate in these areas.

The results indicated that there was a common lack of awareness of the existence of, and the services provided by, the SBDC. This was reflected by a low level of use of its services. Nearly 40% of the immigrant entrepreneurs had not received information about the SBDC and another 9% had not been sufficiently aware of services provided by the SBDC to consider using them. Some respondents were not interested in the SBDC since they did not see a need to use its services, although they were unaware of the services specifically available to them.

The majority of immigrant entrepreneurs who had used the SBDC had used its services once only. This failure to use the SBDC on a regular basis did not appear to be a result of dissatisfaction with its services since over half of the companies which had used it ranked the service as being very good or excellent.

Table 2.68: AREAS OF ASSISTANCE FROM SBDC

	Frequency	Percent
Products	4	1.9
Production	1	0.5
Premises	1	0.5
Market	4	1.9
Finance	9	4.3
Exporting	5	2.4
Management	1	0.5
Other	7	3.3
All areas of business	1	0.5
Total	33	

Table 2.69: WAYS IN WHICH SBDC HELPFUL

	Frequency	Percent
Provided information	12	5.7
Referred to expert	3	1.4
Advised what to do	10	4.7
Access to finance	1	0.5
Grant or subsidy	3	1.4
None	2	0.9
All	1	0.5
Total	32	

Victorian Department of Industry, Technology and Resources (DITR)

Just over half the immigrant entrepreneurs in the study (51.4%) were aware of the Department of Industry, Technology and Resources (DITR). This was generally a result of having received information from Government agencies (10.1% of the total sample) and through their knowledge of Australian business practices (9.7%) (cf Table 2.71). Advertising and contact with business networks also contributed to an awareness of the DITR.

Table 2.70: AREAS IN WHICH SBDC ASSISTANCE INADEQUATE

	Frequency	Valid %	Cum %
	202	95.7	95.7
Products	1	.5	96.2
Production	1	.5	96.7
Finance	2	.9	97.6
Other	3	1.4	99.1
All areas of business	1	.5	99.5
None	1	.5	100.0
	1	MISSING	
Total	212	100.0	

Table 2.71: MEANS OF AWARENESS OF DITR

	Frequency	Valid %	Cum %
Not applicable	100	48.3	48.3
Information from employees/ partners	8	3.9	52.2
Advertising	14	6.8	58.9
Knowledge of business in Australia	20	9.7	68.6
Network of business associates	12	5.8	74.4
Advice of Trade Association	6	2.9	77.3
Information from government agency	21	10.1	87.4
Personal contact	9	4.3	91.8
Other	8	3.9	95.7
Media	9	4.3	100.0
	5	MISSING	
Total	212	100.0	

Over half (56%) of the respondents who were aware of the DITR did not know how it could help them (cf Table 2.72). Approximately 20% of the sample thought that it provided a resource centre for business and 15% said that it provided business assistance.

Only 11% of interviewees (approximately 20% of those aware of the DITR) had used its services and this use tended to be relatively infrequent. Eight companies (3.8% of interviewees) had used DITR once only (cf Table 2.73), 4 used it once a year, 5 used it once every 6 months and 4 used it every 1-3 months.

Table 2.72: DITR ACTIVITIES

	Frequency	Percent
Provides a resource centre	21	10.0
Provides business assistance	16	7.6
Helps with training	2	1.0
Provides grants	4	2.0
Other	10	4.8
Don't know	62	29.5
Total	115	

Two firms (1% of interviewees) used the DITR more than once a month. Interviewees tended not to use the DITR because they did not see the need or did not know enough about the services that it provided (cf Table 2.74). The figures suggested that those who did not see the need to use the DITR also did not know enough about the services it provided, and this suggests a lack of interest in its services.

Table 2.73: FREQUENCY OF USE OF DITR

	Frequency	Valid %	Cum %
Never	187	89.0	89.0
All the time	1	.5	89.5
Once a week	1	.5	90.0
Once a month	2	1.0	91.0
Once every 3 months	2	1.0	91.9
Once every 6 months	5	2.4	94.3
Once a year	1	.5	94.8
Less than once a year	3	1.4	96.2
Once only	8	3.8	100.0
	2	MISSING	
Total	212	100.0	

Table 2.74: REASONS FOR NOT HAVING USED DITR

	Frequency	Valid %	Cum %
Not applicable	121	57.3	57.3
Did not see need	50	23.7	81.0
Did not have time	6	2.8	83.9
Language problems	3	1.4	85.3
Not comfortable dealing with it	1	.5	85.5
Not competent to help them	5	2.4	88.2
Do not know enough	25	11.8	100.0
	1	MISSING	
Total	212	100.0	

The main areas in which immigrant entrepreneurs had received assistance from DITR were products, markets and exporting (cf Table 2.75). This assistance tended to be in the form of information and business advice. DITR also referred immigrant small business people to experts in certain areas and provided access to grants and subsidies (cf Table 2.76).

Table 2.75: AREAS OF ASSISTANCE FROM DITR

	Frequency	Percent
Products	5	2.4
Market	5	2.4
Finance	4	1.9
Exporting	5	2.4
Government	4	1.9
Other	7	3.3
All areas of business	2	1.0
None	1	0.5
Total	33	

Over 52% of the group which had used DITR (7% of the sample) rated its helpfulness as being either good or excellent, while 21% found it to be poor or very poor. There was some dissatisfaction with the efficiency of DITR, as 27% of the firms which had used it (3% of the sample) rated its services as being poor or very poor (cf Table 2.77).

Nearly 40% of interviewees who had used DITR experienced shortcomings in its services in particular areas. These problems most commonly related to exporting and finance (3 companies each). Nearly half of the group that had used DITR ranked its service as being very good or excellent while approximately one third of the group ranked its service as being poor or very poor.

Table 2.76: WAYS IN WHICH DITR HELPFUL

	Frequency	Percent
Provided information	13	6.2
Referred me to expert	4	1.9
Advised me what to do	11	5.3
Provided a grant or subsidy	3	1.4
None	1	0.5
Total	32	

Table 2.77: WAYS IN WHICH DITR NOT HELPFUL

	Frequency	Valid %	Cum %
Not applicable	189	90.0	90.0
No assistance in areas required	6	2.9	92.9
Assistance not appropriate	2	1.0	93.8
None	11	5.2	99.0
Too slow	1	.5	99.5
Too expensive	1	.5	100.0
	2	MISSING	
Total	212	100.0	

The figures suggest that a lack of awareness of DITR and of the services provided contributed to the low use of its services by immigrant small business people. A lack of interest in

services provided by the DITR also appeared to contribute to its low usage. There was some dissatisfaction with some of the services that it provided. This dissatisfaction may have

contributed to the failure of immigrant small business people to use the DITR on a regular basis.

NETWORKS

Immigrant small business people were questioned about their membership of formal and informal business networks in order to assess the role of such networks. Fifty seven per cent of immigrant entrepreneurs interviewed belonged to some type of business association. These associations were most commonly Chambers of Commerce (26.4%), Trade Associations (8.5%) and the Australian Chamber of Manufacturers (8%) (cf Table 2.78).

Table 2.78: MEMBERSHIP OF FORMAL OR INFORMAL BUSINESS

	Frequency	Valid %	Cum %
No	91	43.1	43.1
Trade Associations	18	8.5	51.7
Chamber of Commerce	56	26.5	78.2
Business colleagues	11	5.2	83.4
Local business association	2	.9	84.4
Other	16	7.6	91.9
Chamber of Manufacturers	17	8.1	100.0
	1	MISSING	
Total	212	100.0	

Their reasons for joining a business network (unprompted) included access to helpful business information (21.1%) and establishment of good contacts (11.8%). Some (8.5%) also joined business associations after being personally approached by them (cf Table 2.79).

When prompted, 30.1% of respondents also said that they joined business networks because they provided helpful business information, 12.9% joined to make contacts and 5.3% joined because they were an important part of the ethnic community.

This last response was presumably in reference to ethnic Chambers of Commerce, some of which have been recently established in Melbourne (cf Table 2.80).

Immigrant small business people most commonly attributed their failure to join a business network to lack of time and resources, and the non-existence of a group suited to their particular business needs. These reasons for not joining a business network reflect size limitations of small businesses and the failure of small business people to recognise that some of their problems are relatively common.

A significant proportion of immigrant entrepreneurs also said that they felt their business was self-sufficient and that they had no need of external associations.

Approximately 15% of interviewees belonged to a business network in their country of origin. These networks were most commonly trade and business associations and the respondents generally belonged to them because they provided good contacts and information or because it was compulsory.

Most interviewees saw business networks in Australia as being similar to those of their country of origin and were unable to compare them or identify reasons for any similarities or differences.

Table 2.79: REASON FOR JOINING BUSINESS NETWORK (UNPROMPTED)

	Frequency	Valid %	Cum %
Not applicable	88	46.1	46.1
Provides good contacts	25	13.1	59.2
Provides helpful information	45	23.6	82.7
Provides access to finance(?)	1	.5	83.2
Important part of ethnic community	4	2.1	85.3
They approached us	18	9.4	94.8
Other	10	5.2	100.0
	21	MISSING	
Total	212	100.0	

Table 2.80: REASON FOR JOINING BUSINESS NETWORK (PROMPTED)

	Frequency	Valid %	Cum %
Not applicable	92	44.0	44.0
Provides good contacts	27	12.9	56.9
Provides helpful information	63	30.1	87.1
Provides access to finance	2	1.0	88.0
Important part of ethnic community	11	5.3	93.3
They approached us	8	3.8	97.1
Other	6	2.9	100.0
	3	MISSING	
Total	212	100.0	

IMPROVING ACCESS

Interviewees were asked to identify ways in which support services could be changed in order to improve access and to better service their needs. Seventy five per cent of respondents felt a need to be better informed about Australian business requirements and conditions. When prompted about possible ways to improve their knowledge of

Australian business, interviewees indicated an interest in a publication dealing with business in Australia, business management training and business orientation programmes. Seventeen per cent of those interviewed were interested in receiving information about Australian business requirements and conditions from all possible sources.

Unprompted, 14% of the immigrant small business people interviewed said that direct contact was the best way of making them aware of available small business assistance. They also identified advertising in the ethnic media (4.2%) and general media (2.4%) as being suitable means of making them aware of services. Nearly 20% of the total sample were interested in all possible ways of receiving information about business services.

When prompted about possible ways of improving their contact with organisations providing small business assistance, respondents identified direct mail (19%), a person specifically responsible for assisting immigrant small business people (13%), and the distribution of newsletters (16%) as being the most effective means. Sixteen percent of interviewees thought all the options would be desirable and nearly 12% of interviewees felt that they did not need to increase their contact with these services.

Immigrant entrepreneurs identified markets, finance and exporting as the main areas in which they needed more assistance. They also identified the clarification and relaxation of taxes and regulations as areas where the Government could assist.

Twenty four per cent of interviewees favoured a Chamber of Commerce to provide business assistance to them. Accountants were identified by 11.2% of the sample as being preferred assistance providers, the SBDC by 10% and the Government in general by 9%.

Thirty percent of the other category included interviewees who didn't mind where assistance came from as long as it was available to them. Others named the ACM, the Women's Trust, and 'any non-government body that I know and has a broad knowledge of my assistance needs'.

Over one quarter (26%) of the respondents did not state a preference as to which organisation should assist them because they weren't interested in assistance (cf Table 2.81).

Nearly 40% of immigrant entrepreneurs were interested in receiving export advice from other immigrant small business people. Approximately 15% were interested in export advice in all possible areas while 8% wanted advice on the establishment of an export business (cf Table 2.82).

Table 2.81: PREFERRED ORGANISATIONS TO PROVIDE ASSISTANCE

	Frequency	Valid %	Cum %
Chamber of Commerce	48	24.4	24.4
SBDC	19	9.6	34.0
Government	17	8.6	42.6
Accountant	22	11.2	53.8
Trade Associations	8	4.1	57.9
Consultant	3	1.5	59.4
Other	29	14.7	74.1
None	51	25.9	100.0
	15	MISSING	
Total	212	100.0	

Table 2.82: TYPE OF EXPORT ASSISTANCE REQUIRED

	Frequency	Valid %	Cum %
Not applicable	121	58.7	58.7
Advice on establishment of export business	17	8.3	67.0
An intermediary for export Contacts	10	4.9	71.8
Other	13	6.3	78.2
All	15	7.3	85.4
	30	14.2	100.0
	6	MISSING	
Total	212	100.0	

CHAPTER 3: FINDINGS

INTRODUCTION

The data discussed in the previous chapter suggests that there are factors operating which may influence the access of immigrant small business people to business support services.

These trends need to be clarified through a more detailed analysis of the business problems faced by immigrant small business people and the process of information-gathering and assistance-getting that they pursue.

These data are subject to a more intensive analysis using crosstabulation of key variables.

They are also extended and clarified through reference to quantitative data gathered both during the process of interviewing immigrant small business people for this study, and during group discussion sessions.

This chapter builds on the analysis of the previous chapter by exploring the process of information search discussed in the introduction in greater detail.

It examines the problems and opportunities faced by immigrant small business people in the operation of their businesses.

It establishes how immigrant small business people become aware of a problem, the basis of the problem and their awareness of various sources of assistance available to advise and intervene in problem-solving.

The chapter also explores the process by which immigrant small business people make contact with assistance providers and the type of assistance which they require.

These issues will be discussed within the framework established earlier whereby the access to support services is hypothesized to be influenced by:

- English language skills
- experience with and understanding of Australian social and business context
- differences in business conditions and styles in the immigrant small business person's country of origin and Australia.

LANGUAGE

English language skills are reflected by the extent to which immigrant small business people say that they have problems communicating in English. For the purposes of this analysis those who feel they have problems sometimes, most times or all of the time are classified as lacking English language skills.

English language skills are also reflected, to some extent, by whether or not an immigrant is from an English or non-English speaking background. This variable will be used in a very limited way to clarify the question of English language skills.

SOCIAL AND BUSINESS CONTEXT

Experience in and understanding of the Australian context is, for the purposes of this study, reflected in a range of complex and interacting factors which appear to play a role in assisting the immigrant small business person's grounding in the society.

These factors are:

- country of origin
- the number of years lived in Australia
- the number of years employed and/or in business in Australia
- the quality of experience in the Australian business context, including management experience as an employee and management training.

These factors will be used to suggest the extent of and means by which immigrant small business people have been able to 'ground' themselves in the societal and business context, and how this has influenced their access to support services.

OVERSEAS BUSINESS EXPERIENCE

Business ownership and management experience in overseas contexts may be very different from that prevailing in Australia and may be of considerable advantage or disadvantage to the immigrant small business person attempting to gain access to small business support services in Australia.

Overseas business management experience may establish management styles or attitudes which are inappropriate to the Australian context.

It may also create perceptions of assistance-providers, especially Governments and Government agencies which cause the immigrant small business to actively avoid anything to do with them.

Overseas experience may also establish methods of operating in business which, when applied to the Australian context, reduces the immigrant business person's openness to support services.

These factors are difficult to identify and analyse due to their complex character, and because they relate to experiences in the past which are socially and geographically removed from the context in which the immigrant small business person is now operating.

SMALL BUSINESS ISSUES

Throughout this analysis, it has been necessary to establish clearly and separate issues and processes which relate to small business in general, and the immigrant experience in particular.

In some cases these can be clearly separated; in others they interrelate at a number of levels. A key factor whose influence must be extracted from this analysis is the period in which an immigrant small business person has been in business. Some trends in the data may best be explained by this factor rather than by the fact that the business person is an immigrant. In what follows hypotheses are examined without immediately assessing this factor in detail. Rather, it is discussed in a consolidated manner in the conclusions section which identifies the factors which influences the access of immigrant small business people to small business support services.

By attempting to remove the influences of the factors related to small business in general, this establishes a framework for recommendations aimed at improving the access of immigrant small business people to business assistance services.

BUSINESS PROBLEMS

Interviewees cited problems in the areas of market development, finance, staff and government. A significant number felt they had no problems in business.

Language

When business problems were analysed in relation to the extent of difficulty communicating in English, those who said they had language problems had a wider range of business problems than those who did not experience language problems.

Interviewees who had no language difficulties experienced business problems in a limited range of areas - primarily staff, government and finance.

Interviewees with language problems experienced a much wider range of business problems, including purchasing and supply; market development; finance; staff; establishing premises and management problems in general.

A higher proportion of good English language communicators said that they had no business problems than those with language difficulties (cf Table 3.1).

Table 3.1: PROBLEMS COMMUNICATING IN ENGLISH VS. AGGREGATE BUSINESS DIFFICULTIES

Aggregate Business Difficulties	Problems Communicating in English									
	Never		Once or Twice		Sometimes		Most times		All the time	
	No.	%	No.	%	No.	%	No.	%	No.	%
Products	3	3	5	19	2	4	1	4	0	0
Production	18	16	2	7	4	9	1	4	0	0
Purchasing	13	12	5	19	11	23	10	40	1	33
Premises	12	11	5	19	8	17	2	8	0	0
Staff	47	43	13	48	9	19	1	4	0	0
Markets	30	27	9	33	19	40	10	40	1	33
Finance	33	30	5	19	11	23	3	12	2	67
Exporting	12	11	3	11	2	4	0	0	0	0
Management	11	10	3	11	9	19	7	28	2	67
Government	40	36	6	22	4	9	4	16	0	0
Other	2	22	1	4	5	11	6	24	1	33
None	15	14	11	4	7	15	2	8	0	0

Comparison on the basis of English and non-English speaking background confirms that more NES small business people experience problems in the areas of market development and general management. Good English speakers have greater difficulty in the areas of Government or finance.

Social and Business Context

1. Years in Australia/Country of Origin

Because Australia has experienced quite distinct phases of immigration from various regions of the world, there is a strong and clear relationship between the period in which immigrants have lived in Australia and their country of origin.

In this study, the vast majority of Italian, Greek, European and British small business people have lived in Australia for more than 20 years (cf Table 3.2).

Table 3.2: YEARS IN AUSTRALIA VS. COUNTRY OF BIRTH

Country of Birth	Years in Australia					
	<12 mths	1-2 yrs	3-5 yrs	6-10 yrs	11-20 yrs	20+ yrs
Italy					13%	88%
Greece					22%	78%
Middle East			2%	7%	76%	15%
East Europe				9%	18%	73%
Vietnam			12%	66%	22%	
Other Europe				38%	63%	
English or Irish			7%	13%		80%
Other Asian	3%	3%	19%	27%	22%	27%
Other				50%	50%	

Middle Eastern small business people, including the Turks, have lived in Australia for 11-20 years. Many arrived in the mid-1970s.

The Vietnamese predominantly immigrated to Australia in the 1980s. Most of those interviewed have lived in Australia between 6 and 10 years.

Other Asians, mainly Chinese from Malaysia, Singapore, Hong Kong and Taiwan, have continuously immigrated to Australia over an extended period of time.

Those who have lived in Australia for more than 20 years report problems with staff, Government, finance and markets.

As the period in which the business person has lived in Australia shortens, their business problems are more wide ranging but relate to factors essential to the success of their business. They report problems with purchasing, establishing premises, markets and finance.

They are also more likely to report that they have no problems. Detailed analysis of this suggests that the period that businesses have been established is an important intervening variable in this. Those who had lived in Australia for a short period also tended to run younger firms. Their business problems reflected the age of these firms.

The business problems of recently established firms were similar regardless of the period in which the owner/manager had lived in Australia. This suggests the primary role of the age of the business which is discussed in a later section.

2. Time as an Employee

The experience of working as an employee in Australia also provides important grounding in the Australian social and business context. This grounding was specifically recognised by 37% of interviewees who said that they worked as an employee to get experience which they could use in their business, although some had gained their experience incidentally and not as part of a preconceived plan.

It appears, however, that the length of the employment experience did not influence the number or types of problems experienced by immigrant small business people.

Ten to fourteen percent of interviewees reported no problems in business whether they had worked as an employee for less than 5 years or for more than 20.

The types of problems experienced were consistent with those previously discussed and were not differentiated by the period of employment of the small business person. Similar conclusions can be drawn for immigrant small business people with management experience as an employee in Australia.

3. Time in this Business

This variable reflects not only the growing experience of the immigrant entrepreneur within the Australian context but also the growth phases of their business.

Different growth phases are reflected in problems with finance. Interviewees who had been in their current business for less than 2 years reported finance as a major problem. It was less of a problem for those in the consolidation period between 3 and 5 years, but became an ongoing problem at 6-10 years and 11-20 years. Even those in business for more than 20 years continued to perceive finance as a major problem.

Establishment problems, such as finding premises and general management, were important to those whose businesses were recently established. Difficulties with the

establishment of relationships with suppliers of intermediate goods and services were also important to the younger and middle-aged firms.

On the other hand, difficulties in exporting products and services tended to be more the concern of firms which had been established for a longer period. These older firms were also reported as having more problems with Government.

Difficulties with product sales and markets were consistently expressed across all ages of business (cf Table 3.3).

Table 3.3: PROBLEMS COMMUNICATING IN ENGLISH VS. AGGREGATE BUSINESS DIFFICULTIES

Aggregate Business Difficulties	Time in This Business in Australia											
	12		1-2		3-5		6-10		11-20		20+	
	mths		yrs		yrs		yrs		yrs		yrs	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Products	2	15	1	4	5	8	2	4	0	0	1	5
Production	2	15	2	9	6	10	4	8	6	15	5	23
Purchasing	2	15	3	13	16	26	9	18	8	21	2	9
Premises	3	23	4	17	6	10	8	16	5	13	1	5
Staff	3	23	4	17	10	16	16	31	22	56	14	64
Markets	5	38	9	39	19	31	18	35	11	28	6	27
Finance	4	31	12	52	10	16	10	20	14	36	4	18
Exporting	1	8	1	4	2	3	6	12	5	13	2	9
Management	2	15	1	4	15	24	10	20	2	5	1	5
Government	1	8	1	4	13	21	19	37	14	36	6	27
Other	0	0	3	13	8	13	2	4	2	5	0	0
None	3	23	3	13	11	18	4	8	2	5	2	9
17	0	0	0	0	1	2	0	0	0	0	0	0

4. Management Training

This study has posited that those who have undertaken management training are likely to have wider business knowledge and ability to adapt to more changed business environments. They are, therefore, likely to be able to work within the Australian context.

Those immigrant small business people who had undertaken management training in Australia or overseas reported problems similar to those who had no training.

It appeared that business training made little or no difference to the problems confronted by immigrant small business people.

However, trained managers reported that they had no problems to a significantly greater extent than those without management training.

Experience Overseas

It has been posited that business difficulties in Australia may be influenced by overseas business experience. Three variables are used to represent measures of overseas experience. They are country of origin, experience as an owner/manager of an overseas business and the similarity between the overseas business and the one established in Australia.

1. Country of Origin

It is posited that immigrant small business people from countries with different social and business contexts will experience different business problems.

Small business people from Europe and the United Kingdom reported greater difficulties in the areas of staff and Government than those from the Middle East and Vietnam. Middle Eastern small business people cited markets, management and purchasing as their major problems and Vietnamese small business people cited purchasing, premises, markets and finance as their most pressing difficulties.

This variation does not appear to be explained simply by differences in the social and business context of the countries of origin. Rather, it appears that the period that they have been resident in Australia and in business influence the problems encountered.

2. Experience as a proprietor overseas

Those immigrant small business people with no owner/manager experience overseas experienced difficulties in the areas of markets, staff, finance and Government.

Those with overseas experience reported similar difficulties although they tended to have fewer problems with production, management and Government regulations.

3. Similarity of business

Immigrant entrepreneurs who had managed a similar business overseas, tended to have slightly fewer business difficulties than those who had experience in a different business and those who did not have overseas experience at all. They had fewer problems with markets, staff, finance and exporting, than other immigrant small business people. Nevertheless, those who had a similar business overseas were more likely to have problems with purchasing.

BUSINESS OPPORTUNITIES

Background

In the previous chapter the areas in which interviewees perceived business opportunities which they could pursue were identified. These were exporting, domestic market development and product development.

It is assumed here that, for the purposes of this study, many of the problems and issues faced by immigrant small business people in confronting business problems will also be relevant to the pursuit of business opportunities.

English language difficulties, lack of knowledge of the Australian social and business context and the application of inappropriate overseas business styles in Australia can equally make problems difficult to resolve and opportunities difficult to pursue.

It is posited here that the pursuit of business opportunities would be particularly difficult for some immigrant small business people in situations where good language skills and an intimate knowledge of how business is done in Australia are required. Domestic market development, exporting and new product development may be difficult to pursue for those without English language skills and/or a good knowledge of Australian business.

On the other hand, export market development may be enhanced by an immigrant small business person's foreign language skills, their contacts in overseas markets and their knowledge of how business is done in those markets.

Exports

Export opportunities are likely to be best pursued by an immigrant small business person who can combine overseas market knowledge and skills with a good Australian business base.

The immigrant small business person who intends to export must, therefore, be a good business operator in both Australian and overseas markets.

The importance of export development to the future health of the Australian economy and the export opportunities identified in this study, indicates that provision of assistance for export development via immigrant small business people is an important area to be addressed. This assistance can be targeted according to the needs of those who are likely to pursue export opportunities in order to build their capacity overseas and in Australia.

On the basis of data generated by this study, the major potential exporters are immigrant entrepreneurs from Asia, including Vietnam and the Middle East who intend to export to their country or region of origin.

Those from the Middle East are more unsure about the level of exports compared to those from Asia. Other Asians make up the bulk of exporters from Asia while the Vietnamese appear not to be sufficiently well established to undertake extensive exports.

Planned exports by the British and the Greeks are also significant but as a proportion of their enterprises' sales revenue, more limited than those groups already mentioned.

A major problem for small enterprises intending to export is the up-front cost of building contacts and markets in the countries to which products and services are to be exported. The establishment and maintenance of contacts and facilitation of trade were therefore

identified as areas in which the Government could be of considerable assistance to exporters.

AWARENESS OF PROBLEMS AND OPPORTUNITIES

By identifying problems and opportunities the immigrant small business person is taking a first important step in gaining access to small business support services.

It has been hypothesized that the manner and effectiveness in which an immigrant small business person becomes aware of problems and opportunities is influenced by language skills; understanding of the Australian context and overseas experience.

Language

Immigrant small business people primarily used their own business knowledge and experience in identifying and establishing the basis of their business problems. This was true whether or not they had difficulties communicating in English.

All tended to use accountants and banks as a back-up to their own experience.

Social and Business Context

1. Time in Australia

The number of years of residence in Australia and years as an employee, did not influence the awareness of problems or establishment of the basis of these problems.

2. Years in Business

Those who had been in business for up to 5 years tended to use their own knowledge and resources in the business to identify problems (73%) and clarify problems (61%).

Those who had been in business longer primarily relied on their own resources to identify problems (80%) and clarify problems (72%), but also used external sources of information and advice (cf Table 3.4 and 3.5). This was especially true of interviewees whose businesses had been established for more than 20 years.

This trend is similar to what could be expected of small business in general.

Table 3.4: YEARS IN AUSTRALIA VS. MEANS OF IDENTIFYING THE PROBLEM
(PROMPTED)

Means of Identifying the Problem (Prompted)	Years in Australia											
	<12 mths		1-2 yrs		3-5 yrs		6-10 yrs		11-20 yrs		20+ yrs	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Own knowledge and experience	3	3	5	19	2	4	1	4	0	0	60	88
Employees identified it	0	0	0	0	2	14	2	5	2	3	4	5
Info from bus associates	0	0	0	0	0	0	3	7	1	1	2	3
Advice from acctnt/bank/etc	0	0	0	0	0	0	0	0	0	0	2	3
Info from CofC or Trade Assoc	0	0	0	0	0	0	0	0	0	0	1	1
Used												
Govmt Sources	0	0	0	0	0	0	1	2	0	0	1	1
Other Sources	0	0	0	0	0	0	0	0	2	3	1	1

Table 3.5: YEARS IN AUSTRALIA VS. MEANS OF ESTABLISHING NATURE OF
PROBLEM (PROMPTED)

Means of Establishing Nature of Prob (Prompted)	Years in Australia											
	<12 mths		1-2 yrs		3-5 yrs		6-10 yrs		11-20 yrs		20+ yrs	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Own knowledge and experience	1	100	0	0	9	64	26	62	48	68	40	53
Employees identified it	0	0	0	0	1	7	3	7	2	3	5	7
Info from bus associates	0	0	0	0	0	0	3	7	3	4	8	11
Advice from acctnt/bank/etc	0	0	0	0	0	0	1	2	7	10	7	9
Info from CofC or Trade Assoc	0	0	0	0	0	0	0	0	0	0	1	1
Consultant advice	0	0	0	0	0	0	0	0	0	0	1	1
Used												
Govmt Sources	0	0	0	0	1	7	1	2	1	1	5	7
Other Sources	0	0	0	0	0	0	0	0	5	7	4	5

3. Management Training

Management training appeared to have little influence on the manner in which immigrant small business people became aware of and clarified business problems.

Overseas Experience

Overseas experience as a proprietor appeared to have little influence on the manner in which immigrant small business people became aware of and clarified business problems. The similarity of the overseas business to the present business also appeared not to affect this process.

AWARENESS OF ASSISTANCE PROVIDERS

Language

The level of awareness of sources of small business support services did not appear to vary according to the English language skills of the small business person.

However, small business people with limited language skills nominated accountants and friends as sources of business support significantly more often (35%) than those with good language skills (23%).

Good English speakers identified trade associations (15%) and Government agencies, including the Small Business Development Corporation (SBDC) (17%), the Department of Industry, Technology and Resources (DITR) (7%), and Austrade (4%) significantly more than those who experienced language difficulties (7%, 1%, 0%, and 0% respectively) (cf Table 3.6).

Table 3.6: PROBLEMS COMMUNICATING IN ENGLISH VS. AGGREGATE PROVIDERS OF BUSINESS ASSISTANCE

Aggregate Providers of Bus Assist.	Never		Once or Twice		Sometimes		Most times		All the time	
	No.	%	No.	%	No.	%	No.	%	No.	%
Chamber of Commerce	19	18	6	24	9	20	5	20	0	0
Trade Assoc	18	17	3	12	2	5	3	12	0	0
SBDC	21	19	2	8	1	2	0	0	0	0
DITR	9	8	0	0	0	0	0	0	0	0
Austrade	6	6	0	0	0	0	0	0	0	0
None	44	41	15	60	26	59	7	28	3	300
Other	26	24	5	20	10	23	16	64	0	0

Social and Business Context

It could be expected that experience of the Australian social and business context would increase immigrant small business people's awareness of business support services.

1. Years in Australia

Those small business people who had been resident in Australia for a short period (less than 5 years) were considerably less aware of support services than those who had been resident for longer periods.

The proportion of interviewees who were not aware of any assistance providers declined from 100% (1-2 years residence), 75% (3-5 years), 64% (6-10 years), 31% (11-20 years) to 46% (more than 20 years).

The longer the period of residence in Australia, the greater the proportion of small business people who were aware of Chambers of Commerce and Trade Associations. Awareness of Government agencies also increased with the period of residence in Australia, although generally at a lower level (cf Table 3.7).

Table 3.7: YEARS IN AUSTRALIA VS. AGGREGATE PROVIDERS OF ASSISTANCE

Aggregate Providers of Bus Assistance	Years in Australia											
	<12 mths		1-2 yrs		3-5 yrs		6-10 yrs		11-20 yrs		20+ yrs	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Chamber of Commerce Trade Association	1	100	0	0	1	8	5	11	17	25	14	19
SBDC	0	0	0	0	1	8	6	14	7	10	11	15
DITR	0	0	0	0	0	0	3	7	4	6	16	22
None	0	0	0	100	1	8	0	0	4	6	4	5
Other	0	0	0	0	9	75	28	64	21	31	34	46
	0	0	0	0	1	8	8	18	31	46	16	22

Small business people resident in Australia for more than 20 years were, however, significantly more aware of the SBDC than those who had been in residence for a shorter period.

2. Time as an Employee and Management Experience as an Employee.

Experience through employment did not influence the extent of awareness of assistance providers. It also did not influence the types of assistance providers which were known. However, those with management experience as an employee in Australia were more aware of trade associations than those without management experience.

3. Time in Business

The length of time in which the small business person had been in the business influenced the level of awareness of assistance providers.

Those who had been in business for up to 2 years were primarily aware of Chambers of Commerce (11%), Trade Associations (8%) and the SBDC (11%), but were not aware of DITR or Austrade.

Both the level of awareness of sources of assistance (except for the SBDC) and the range of known sources grew with the period in business. There was an increasing awareness of DITR (5%), Chambers of Commerce (20%), Trade Association (13%) and Austrade (3%) once the business had been established for 3 years or more (cf Table 3.8).

Again, a strong relationship between years in business and years that an immigrant had lived in Australia emerged. However, in this case, the years of business experience was not clearly predominant.

Table 3.8: YEARS IN AUSTRALIA VS. AGGREGATE PROVIDERS OF BUSINESS ASSISTANCE

Aggregate Providers of Bus Assistance		Years in Australia															
		<12 mths		1-2 yrs		3-5 yrs		6-10 yrs		11-20 yrs		20+ yrs					
Chamber of Commerce	Trade Assoc.	SBDC	DITR	None	Other	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
						2	15	2	11	12	20	16	32	3	8	4	18
						2	15	1	5	7	12	7	14	5	13	4	18
						2	15	2	11	4	7	6	12	7	18	3	14
						0	0	0	0	3	5	3	6	3	8	0	0
						6	46	13	68	29	48	15	30	19	49	12	55
						5	38	2	11	20	33	16	32	10	26	3	14

Those who had lived in Australia for longer periods appeared to have a greater awareness of assistance providers even though they had been in business for similar periods to those who were less aware.

4. Management Training

The extent of management training also made no difference to the level of awareness of assistance providers.

Immigrant small business people who had not undertaken management training were as aware of assistance providers as those who had undertaken training in Australia or overseas.

Overseas Experience

1. Business Experience

Small business people with no or very little (less than 2 years) experience as a proprietor overseas were generally more aware of the range of assistance sources available when compared with those who had significant proprietary experience. This suggests that those with limited business ownership experience overseas were more tuned into assistance provision.

This may have been because they required assistance more often and their business practice may have been more flexible and open to external advice.

Significant ownership experience overseas may have established a more closed management style or negative attitudes toward assistance which reduced the likelihood of these small business people seeking out assistance providers.

Those immigrant small business people with significant overseas business ownership experience (>2 years) were more aware of trade associations (24%) and relatively less aware of Chambers of Commerce (15%) and SBDC (9%) than those with no overseas ownership experience (9%, 21% and 13% respectively).

Those with no overseas business experience were less likely not to know of any assistance providers (39%), than those with greater than 2 years overseas business experience (63%) (cf Table 3.9).

Table 3.9: EXPERIENCE AS MANAGER OVERSEAS VS. AGGREGATE PROVIDERS OF BUSINESS ASSISTANCE

Aggregate Providers of Bus Assistance	Years Overseas											
	None		<2 yrs		2-5 yrs		5-10 yrs		11-20 yrs		20+ yrs	
Chamber of Commerce	32	21	0	0	3	20	3	17	1	8	0	0
Trade Association	14	9	1	20	6	40	3	17	2	17	0	0
SBDC	20	13	0	0	2	13	1	6	1	8	0	0
DITR	6	4	0	0	2	13	1	6	0	0	0	0
Austrade	5	3	0	0	1	7	0	0	0	0	0	0
None	61	41	4	80	7	47	12	67	7	58	3	75
Other	51	34	0	0	2	13	1	6	2	17	1	25

Managers without previous ownership experience were likely to be more aware of organisations which could provide general business advice related to areas such as establishing a business, account keeping, general management.

Those with overseas experience were more aware of organisations which could provide assistance related to more specific technical and marketing areas of their business.

2. Country of Origin

Small business people from Vietnam and other regions in Asia were least aware of assistance providers in general (73% and 51% respectively were not aware of any organisations providing assistance). Those from the Middle East were most aware although many from this region cited accountants as their major source of small business assistance.

Small business people from the Middle East were also aware of Chambers of Commerce, as were those from Europe and Britain.

The awareness of Vietnamese and other Asians of Government agencies including SBDC was low compared to other groups. The Vietnamese were primarily aware of trade associations as the major providers of business assistance (17%) (cf Table 3.10).

Table 3.10: COUNTRY OF BIRTH VS. AGGREGATE PROVIDERS OF BUSINESS ASSISTANCE

Aggregate Providers Business Assistance	Country of Birth									
	Italy		Greece		Middle East		East Europe		Vietnam	
	No.	%	No.	%	No.	%	No.	%	No.	%
Chamber of Commerce Trade Association	3	17	4	16	17	32	2	18	2	5
SBDC	1	6	2	8	1	2	2	18	7	18
DITR	4	22	6	24	2	4	4	36	2	5
Austrade	0	0	1	4	1	2	1	9	2	5
None	1	6	2	8	1	2	0	0	0	0
Other	10	56	14	56	15	28	4	36	30	75
	2	11	4	16	30	57	3	27	2	5
Chamber of Commerce Trade Association	0	0	7	47	3	9	1	50		
SBDC	3	33	7	47	2	6	1	50		
DITR	3	33	2	18	1	3	0	0		
Austrade	0	0	2	13	2	6	0	0		
None	0	0	1	7	1	3	0	0		
Other	2	22	1	7	19	59	0	0		
	4	44	5	33	7	22	0	0		

AWARENESS OF SPECIFIC PROVIDERS

Immigrant small business people were strongly aware of accountants and lawyers as providers of small business support.

Consultants were less well known. Approximately 13% of interviewees did not know enough about consultants to consider using them and 62% did not see the need, which may reflect an ignorance of their services.

Over 60% of interviewees had heard of a trade association, while only 50% had heard of the Small Business Development Corporation (SBDC) and a similar proportion had heard of the Department of Industry, Technology and Resources (DITR).

In order to clearly establish the relevance of language and experience in the social and business context to immigrants' awareness of providers a potential intervening variable - the industry in which immigrants were operating - was explored.

Immigrants were distributed across the major industry sectors according to their language competence and their experience in Australia in a manner which established that the type of industry in which they were operating was unlikely to influence the analysis.

For example, those immigrants with varying language competences were distributed in the manufacturing, wholesale, retail and entertainment and recreation sectors in similar proportions. Finance was the only major sector in which there were proportionately more good English communicators than poor communicators.

Consequently, the type of business in which immigrants were involved was not seen as having an influence on their awareness of assistance providers which would distract from or confound the influence of language competence.

Language

Difficulties with communication in English had no impact on interviewees' awareness and use of accountants. It appeared that lawyers were known and used more when communication problems did exist. Rather than acting as a disincentive, communication

problems spurred immigrant small business people on to identify and use lawyers to ensure important business transactions were successfully undertaken despite their language difficulties.

In strong contrast, the awareness and use of consultants was strongly influenced by communication problems. Many of those who had problems communicating in English were not aware of consultants and did not use them (96%) (cf Table 3.11).

Table 3.11: PROBLEMS COMMUNICATING IN ENGLISH VS. USE AND MEANS OF AWARENESS OF CONSULTANTS

	Problems Communicating in English									
	Never		Once or Twice		Sometimes		Most times		All the time	
	No.	%	No.	%	No.	%	No.	%	No.	%
Used Consultants										
Yes	31	28	3	12	1	2	1	4	0	0
No	78	72	23	88	45	96	24	96	3	100
Means of Awareness of Consultants										
0	74	67	21	81	46	98	24	96	3	100
Info from employ/part	3	3	0	0	0	0	0	0	0	0
Advertising	8	7	3	12	0	0	0	0	0	0
Know bus in Aust	3	3	0	0	0	0	0	8	0	0
Netwk Bus Ass	9	8	1	4	0	0	0	0	0	0
Trde Ass/CofC	2	2	1	4	0	0	0	0	0	0
Other	10	9	0	0	0	0	0	0	0	0
Personal Contact	1	1	0	0	1	2	0	0	0	0

Language problems also reduced the likelihood that immigrant small business people would be aware of trade associations. Double the amount (57%) of those who had language problems had not heard of trade associations compared to those without language problems.

A similar story applied to awareness of SBDC and DITR. In both cases approximately 84% of those with language problems were not aware of these organisations while 31% of those without language problems were not aware of them.

Social and Business Context

1. Years in Australia

Accountants and lawyers were widely known by immigrant small business people irrespective of the period of their residence in Australia.

The period of time that immigrant small business people had been resident in Australia did not appear to influence their awareness of consultants.

Trade associations did not tend to be known by a majority (54%) of immigrant small businesses who had been resident for less than 10 years. Thirty four percent of those resident for more than 10 years were not aware of trade associations.

Awareness of the SBDC was consistently low (33%) for those resident in Australia for up to 20 years while only 23% of those resident for more than 20 years were not aware of the SBDC.

The awareness of DITR was slightly higher although this may have been due to some confusion with SBDC, NIES and DITAC and other State Government departments. Sixty two percent of those resident for less than 20 years were not aware of DITR, while 23% of those resident for a longer period had not heard of it.

2. Time as an Employee and Management Experience as an Employee

The number of years an immigrant small business person worked as an employee in Australia before establishing a business was not a significant factor in awareness of accountants and lawyers.

Immigrant small business people in employment for more than 5 years did not know enough about consultants to consider using them. However the length of employment did not appear to improve the general lack of awareness of consultants.

Length of employment also appeared to have no discernable effect on the level of awareness of trade associations.

On the other hand, the shorter the period an immigrant small business person had been employed in Australia, the more likely they were to have heard of SBDC. Fifty five percent of those employed for less than two years had heard of SBDC while 43% of those with greater employment experience were aware of SBDC. This suggests that the more active and confident immigrant small business people who are also be start their businesses quickly may also be the ones who seek and get information on service providers.

A similar story was true of DITR. Sixty three percent of short term employees (<2 years) had heard of DITR, while 44% of those with greater employment experience were aware of it.

Interviewees with management experience as an employee in Australia were more aware of trade associations, the SBDC and the DITR, than those without management experience. Awareness of these organisations increased the longer the immigrant small business person had been employed as a manager.

3. Years in Business

The level of awareness of accountants and lawyers was not affected by the period in which immigrant small business people had been in business in Australia.

The level of awareness of consultants was also unrelated to the period in business.

Forty seven percent of those who had been in business for less than 5 years had not heard of trade associations while a considerably higher proportion of those in business for more than 5 years were aware of trade associations.

Time in business increased the awareness of SBDC and DITR. Approximately thirty four percent of those in business for less than 5 years were aware of SBDC and DITR while around 68% of those in business for more than 5 years were aware of these organisations.

4. Management Training

Those who undertook management training used lawyers and consultants slightly more than those who had not.

Trained immigrant small business people were considerably more aware of trade associations, SBDC and DITR.

Overseas Experience

The extent of experience as a proprietor overseas made no difference to the level of awareness of any of the support services previously discussed except that previous business experience overseas appeared to be associated with a reduced awareness of consultants generally.

Interviewees who had managed a similar business overseas were less aware of the SBDC and the DITR.

MEANS OF AWARENESS OF ASSISTANCE PROVIDERS

Language

Language skills played a major role in the manner in which immigrant small business people became aware of small business assistance providers.

General knowledge of how business is done in Australia and personal contacts were the central sources of information about accountants and lawyers for English and non-English speakers alike. Those who had problems communicating in English also relied to some extent on advertising.

English speakers became aware of consultants through advertising and personal contact. Immigrant small business people with language problems generally did not use consultants.

Awareness of trade associations was assisted through general business knowledge and through business associates for English speakers and through employees and partners or other means, mainly friends and relatives, for non-English speakers.

Immigrant small business people who experienced no problems communicating in English were aware of SBDC and DITR through a wide range of sources including advertising and information from Government agencies. General business knowledge and information from business associates were also helpful.

Immigrant small business people who experienced problems communicating in English most or all of the time had no means of getting information on SBDC or DITR. Those who sometimes had communication problems relied on advertising or information from employees and other sources, mainly friends and business associates.

Social and Business Context

1. Years in Australia

Those immigrant small business people who had been resident in Australia for more than 10 years tended to become aware of accountants and lawyers through their general business knowledge, personal contact and business associates.

Shorter term residents relied considerably more on information from others in their firm, advertising and personal contact.

Longer term residents relied on their general business knowledge and on information from others in their firm in relation to trade associations. Shorter term residents relied on advertising and information from associates.

In relation to information on SBDC and DITR, long and short term residents relied to a similar extent on advertising, media, information from Government and general business knowledge.

2. Years Employed and Management Experience as an Employee

The period of employment of immigrant small business people influenced the means by which they became aware of assistance providers.

Accountants and lawyers were known by short and long term employees on the basis of business knowledge and contacts.

Longer term employees (more than 3 years) were aware of trade associations from a wide range of sources but primarily through general business knowledge and through business associates and contacts.

Shorter term employees relied more heavily on information from business associates and the trade association itself.

Long and short term employees got information on SBDC and DITR from advertising, media, information from Government and general business knowledge.

Immigrant small business people who had gained management experience as employees in Australia were more commonly aware of trade associations, the SBDC and the DITR through their knowledge of Australian business practices. Their networks of business associates also contributed to their knowledge of DITR.

3. Years in Business

The number of years that immigrant small business people had been in business did not change the general trends identified in the two previous sections.

Professional assistance providers were identified on the basis of business experience and less experienced business people identified them through general business knowledge and business contacts.

Experienced business people used their own or their employees' knowledge, and their business colleagues in relation to trade associations. Less experienced business people also relied on advertising.

Both experienced and less experienced business people relied on advertising and information from Government agencies to inform them about the SBDC and DITR.

4. Management Training

Management training generally did not influence the means by which immigrant small business people became aware of assistance providers.

Those with management training did however appear to rely more heavily on their own experience and less heavily on advertising and advice from others in their firm, compared to those with no management training.

Overseas Experience

The extent of overseas experience appeared to have little impact on the means by which immigrant small business people become aware of assistance providers in general.

CONTACT WITH SOURCES OF ASSISTANCE

Making contact with assistance providers is a first stage in the process of gaining access to these services.

Introduction

1. Professional Providers

The experience of immigrant small business people in making contact with and using the services of various assistance providers was varied.

Accountants and lawyers provided a limited range of professional business services in an efficient manner. They provided information and advice and undertook professional tasks on behalf of the immigrant small business person. They were used extensively on a monthly basis, probably for group tax purposes, and annually for the preparation of accounts and company tax and income tax returns.

In the areas of their professional expertise, accountants and lawyers were seen as helpful and their assistance quite adequate.

Contact with consultants was extremely limited and primarily to assist in marketing. Again, their professional services, when sought, were perceived as generally helpful and adequate.

While professional services were good they were limited to facilitating day-to-day operations of business without specific regard to the needs of immigrant small business people and the unique opportunities which they may embody.

2. Trade Associations

Trade associations were perceived as providing a much wider range of assistance than the professional providers.

They were seen as primarily providing specific state of the industry information, and information and advice on industrial relations matters.

They also provided contacts with others in similar businesses, organised meetings and provided general business information.

Immigrant small business people used Trade associations to a very limited extent; typically, once a month when they received newsletters, once a year or less, or only once.

Again, the assistance provided was specialised to a particular industry and reflected day-to-day needs of business in general. Trade associations were not in a position specifically to meet the sometimes unique needs of immigrant small business people.

3. SBDC and DITR

Immigrant small business people used the services of these organisations to a very limited extent.

They generally had a very limited awareness of services offered by these assistance providers.

These agencies, with a mandate to provide a wide range of small business resources and able to meet the special needs of immigrant small business people appeared not to be generally accessible to immigrant small business people.

The use of these services is likely to be influenced by a range of factors, many of which have already been identified.

Again, to ensure that the relationship is not confounded by intervening factors, the importance of the industry sector in which the immigrant operated was examined.

Immigrant small business people in the major industry sectors were found to be equally ignorant of providers of business support generally. A similar proportion of immigrant small business people knew of no support providers, regardless of the industry in which they were involved.

Trade associations were equally well known across all the industry sectors. Chambers of Commerce were similar in this regard although there was a slightly lower level of awareness in the manufacturing sector.

Government agencies were best known in the finance and entertainment and recreation sectors.

Professional Providers

The use of accountants and lawyers was not influenced by language difficulties, lack of Australian business experience or overseas experience. Accountants and lawyers were perceived as being central to the successful operation of business owned by immigrant entrepreneurs.

Consultants were not extensively used by immigrant small business people because they were not perceived as central to business success. Lack of language skills and lack of experience in the social and business context in Australia also reduced usage of consultants because their role was not well understood.

Trade Associations

Trade associations were seen by those who knew about them as generally relevant to their business and capable of being of assistance to them.

However immigrant small business people who had trouble communicating in English cited language problems and a lack of knowledge of the role of trade associations as the major reasons that they did not use them.

Trade associations were not used by shorter term residents because they did not know enough about them. Longer term residents who experienced language problems did not know enough about their role or felt that they could not offer their business any effective assistance. Those with both short or long term employment experience in Australia did not use trade associations for similar reasons.

Those who had been in business in Australia for more than 10 years generally did not see the need to use trade associations because they were not central to the success of their business or were not competent to provide assistance.

Less experienced immigrant small business people cited language problems and a lack of knowledge about the role of trade associations as the reasons for not using them.

Those immigrant small business people who had undertaken management training did not see the need to use trade associations and did not see them as competent to assist. Those without training gave language problems or a lack of knowledge of the role of trade associations as the reasons they were not used.

The extent of overseas experience did not influence the use of providers.

SBDC and DITR

Immigrant small business people with language difficulties who had been resident and had worked and operated businesses for a short period of time in Australia were generally less aware of SBDC and DITR. They therefore tended not to use these organisations.

Those with language problems nominated communication problems and lack of knowledge about the roles of these organisations as reasons for not using these organisations.

English speakers also reported that they did not know enough about SBDC and DITR to use them but generally felt that they did not require assistance from these organisations.

Years of residence and experience in the business in Australia did not change these attitudes.

Those with management training tended not to use these organisations because assistance was not required or because they were not competent to help. Those without such training did not know enough about the role of the organisations to be able to use them.

Overseas experience appeared to play no role in influencing the usage of SBDC and DITR.

BUSINESS NETWORKS

Immigrant small business people could also join formal and informal business networks to gain access to business assistance.

These networks include primarily, ethnic Chambers of Commerce, trade associations, the Australian Chamber of Manufacturers, local business associations and informal groups of business colleagues.

Immigrant small business people who had problems communicating in English who had been in Australia less than 10 years or who had been in business less than 5 years were not generally involved in business networks. Those who were members displayed a range of characteristics.

Language

Those with language problems primarily joined ethnic Chambers of Commerce (21%)* or were involved in informal networks such as a group of business colleagues (7%) (cf Table 3.12).

* Frequencies have been summed across cells for each category to generate percentage figures.

Table 3.12: PROBLEMS COMMUNICATING IN ENGLISH VS. MEMBERSHIP OF BUSINESS NETWORK

Membership of Formal or Informal Business Network	Problems Communicating in English									
	Never		Once or Twice		Sometimes		Most times		All the time	
	No.	%	No.	%	No.	%	No.	%	No.	%
No	40	36	7	27	25	53	15	60	3	100
Trade Assoc	11	10	4	15	3	6	0	0	0	0
Chamb of Comm	28	25	12	46	4	9	1	4	0	0
Local Bus										
Assoc	2	2	0	0	0	0	0	0	0	0
Other	13	12	1	4	2	4	0	0	0	0
Chamb of										
Manuf	11	10	1	4	2	4	3	12	0	0

English speakers were involved in a much wider range of networks including primarily, ethnic Chambers of Commerce, trade associations, the Australian Chamber of Manufacturers and other networks.

Immigrant small business people who experienced language difficulties identified a lack of information to identify a network appropriate to their needs as the main reason why they were not involved (37%).

In contrast good English communicators said they were too busy to be involved in a network (9%) or did not need to be involved because their business was self sufficient (11%). Lack of knowledge about appropriate networks was also a concern (9%) (cf Table 3.13).

Social and Business Context

The proportion of immigrant small business people involved in networks increased with their years of residence in Australia.

Those who had been resident in Australia for more than 10 years tended to belong to ethnic Chambers of Commerce (33%)*, trade associations (10%) and the Australian Chamber of Manufacturers (10%).

Table 3.13: PROBLEMS COMMUNICATING IN ENGLISH VS. REASON FOR NOT JOINING BUSINESS NETWORK (PROMPTED)

Reason for not Joining Business Network (Prompted)	Problems Communicating in English									
	Never		Once or Twice		Sometimes		Most times		All the time	
	No.	%	No.	%	No.	%	No.	%	No.	%
Not Enough Time	11	10	1	4	2	4	2	8	0	0
Don't Know										
Group for Me	10	9	3	12	15	32	12	48	2	100
Bus Self Suf	14	13	1	4	4	9	0	0	0	0
Dont want										
bus to grow	0	0	1	4	1	2	0	0	0	0
Other	3	3	0	0	2	4	1	4	0	0

Those who had been resident for less than 10 years primarily used informal networks of business colleagues (13%) and ethnic Chambers of Commerce (11%) (cf Table 3.14).

Short term residents (less than 5 years) did not belong to business networks because they did not know of any network for them (44%).

Longer term residents reported a lack of time (8%), business self sufficiency (10%) and lack of knowledge (21%) as reasons for not belonging to a network (cf Table 3.15).

Those who had been in business for a short period were more likely not to be members of a network than those in business for a longer period.

Sixty two percent of those in business less than 2 years were not members of a business network, 56% of 3-5 year old businesses, 35% of 6-10 year old businesses, 28% of 11-20 year old businesses and 18% of businesses older than 20 years.

A much greater number of those in longer term businesses were involved in a wider range of networks, including Chambers of Commerce, Trade Associations and the Australian Chamber of Manufacturers.

Table 3.14: YEARS IN AUSTRALIA VS. MEMBERSHIP OF FORMAL OR INFORMAL BUSINESS NETWORK

Membership of Formal or Informal Business Network	Years in Australia											
	12 mths		1-2 yrs		3-5 yrs		6-10 yrs		11-20 yrs		20+ yrs	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
No	0	0	1	100	10	71	28	64	31	44	19	25
Trade Assoc	0	0	0	0	1	7	1	2	7	10	7	9
Chamb of Comm	1	100	0	0	2	14	4	9	22	31	26	35
Bus Colleg	0	0	0	0	1	7	7	16	2	3	1	1
Local Bus Ass	0	0	0	0	0	0	1	2	0	0	1	1
Other	0	0	0	0	0	0	2	5	3	4	11	15
Chamb of Manuf	0	0	0	0	0	0	1	2	5	7	10	13

Table 3.15: YEARS IN AUSTRALIA VS. REASONS FOR NOT JOINING BUSINESS NETWORK (PROMPTED)

Reason for not Joining Business Network (Prompted)	Years in Australia											
	12 mths		1-2 yrs		3-5 yrs		6-10 yrs		11-20 yrs		20+ yrs	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Not enough time	0	0	0	0	2	14	6	14	3	4	5	7
Dont Know Group for Me	0	0	1	100	6	43	16	36	15	22	4	5
Bus Self Suf	0	0	0	0	2	14	4	9	7	10	6	8
Dont want bus to grow	0	0	0	0	0	0	0	0	1	1	0	0
Other	0	0	0	0	0	0	1	2	2	3	3	4

Those businesses established for a short period which were involved in networks named ethnic Chambers of Commerce and business associates.

Those in businesses for a short period were not involved in networks because they did not know of an appropriate group for them (38%) or because they did not have enough time to be involved (12%).

The extent of employment experience in Australia appeared to have little impact on whether the immigrant small business person is a member of a business network. Those with longer term (more than 10 years) employment experience are more likely to belong to a network.

Employment experience made no difference to the type of networks to which immigrant small business people belonged or to the reasons why they did not belong to networks.

Management Training

Those immigrant small business people who had undertaken management training were considerably more likely to belong to a business network than those without training.

Those who had been trained in business belonged to trade associations and Chambers of Commerce while untrained immigrant small business people were primarily members of Chambers of Commerce.

Overseas Experience

Those immigrant small business people with ownership experience overseas were less likely to belong to a business network than those without such experience.

Overseas experience however made no difference to the type of network immigrant small business people belonged to.

Those with overseas ownership experience cited a lack of time, a lack of knowledge about appropriate networks and business self sufficiency as reasons why they did not belong to business networks.

Those without overseas experience simply cited a lack of knowledge of appropriate networks as the reason why they did not belong.

The similarity of the overseas businesses which had been owned and managed by the interviewees did not appear to influence whether or not they belonged to a business network. Immigrant entrepreneurs who had managed a dissimilar business overseas were more likely to claim that self-sufficiency was the reason that they had not joined the network.

IMPROVING ACCESS

When prompted about a range of options which would improve their access to, and awareness of, business support services, many interviewees expressed an interest in a wide range of possibilities. However, a significant number expressed no interest in improving their access and awareness.

Immigrant small business people were most keen to receive assistance in areas related to markets, finance and exporting.

Language

Preferred avenues for receiving information and perceived areas of need were analysed in relation to the extent of difficulty of communicating in English. Interviewees who experienced difficulty communicating in English were most likely to express a definite need for assistance which was often preferred from a particular type of source.

Immigrant small business people with communication problems showed an interest in business orientation programmes for immigrants, to make them aware of Australian business requirements and conditions suggesting that they had difficulty becoming familiar with Australian business practices.

Those who did not experience language problems were interested in business management training and a publication dealing with Australian business practices. Many of these people felt that they had no need of specific aids to improve their awareness of Australian business requirements.

The importance of the language issue in influencing the immigrant small business persons' attitude toward initiatives to improve their awareness of Australian business conditions and requirements was reflected in the data.

Of those 45 interviewees who said there was nothing that could assist them in this regard, 71% had no problems communicating in English.

On the other hand 77% of those who wanted all possible means of assistance (35 interviewees) had English communication difficulties.

In this latter case, 55% of all those with language difficulties had been in business for 3-5 years, a further 33% for 6-10 years and 8% for 11-20 years.

This clearly suggests that the need for assistance was a function of a language difficulty rather than the age of the business.

Language difficulties influenced the preferences of immigrant small business people at all stages of the process of gaining access to support services. Those with language

difficulties were more likely to be interested in advertising in the ethnic media to make them aware of available assistance. They showed less preference for direct contact, suggesting that they felt their language problems to be a barrier in such a process.

To improve their contact with support services, interviewees with language problems generally stated preferences for direct mail or all possible sources of assistance.

In comparison, interviewees who did not experience specific language problems were interested in a wider range of options to make them aware of available assistance. In particular, they tended to favour advertising in both the general and ethnic media and advice through Chambers of Commerce. A number of this group also felt they had no need for further information about support services. The wider range of options commonly recognised as accessible by this group probably reflected their greater ease with dealing with information from a range of sources due to an absence of language difficulty. Immigrant small business people who did not experience language problems were interested in the provision of a specific person to deal with their business problems and telephone contact numbers.

Immigrant entrepreneurs with language difficulties felt that they required assistance in a wider range of areas than those who did not have communication problems. Nearly one quarter of the group with language problems wanted assistance in all possible areas of business and many specifically required help with management problems. Nevertheless, these people were generally less interested in financial assistance than those who did not have language problems. The requirement for assistance related to markets and exports did not appear to relate to the ability of interviewees to communicate in English. People without language problems were most likely to feel that they did not need any specific assistance.

English speaking ability also influenced immigrant small business people's preferences for particular sources of assistance. Those with language problems were interested in Chambers of Commerce and accountants as information sources, presumably because they were more at ease in dealing with these groups. Those without language problems often did not have a definite preference for assistance providers although the SBDC was a frequently preferred organisation.

Language problems appeared to limit immigrant small business people's ability to obtain assistance and their ability to deal with specific organisations providing assistance.

Social and Business Context

1. Years in Australia

The number of years that interviewees had spent in Australia influenced their needs for assistance and their choice of search strategy to find appropriate help.

Immigrant small business people who had come to Australia more recently were most interested in information from ethnic Chambers of Commerce to make them aware of Australian business requirements and conditions, and inform them about available business assistance. They were also interested in advertising in both the general and ethnic media about assistance providers.

Interviewees who had lived in Australia for longer periods were less likely to feel a need to be better informed about Australian business requirements and conditions, they were less interested in the media and Chambers of Commerce as means to make them aware of available assistance.

The time that immigrant entrepreneurs had lived in Australia influenced their preferred method for establishing contact with information providers. Those who had only recently come to Australia were most interested in receiving newsletters and direct mail whereas those who had lived here longer were more likely to be interested in using a person specifically responsible for putting immigrant small business people in contact with assistance providers.

The requirement for assistance with exports was most common for immigrant small business people who had lived for longer periods in Australia. Nevertheless, this group was also most likely to feel that it did not need assistance in any identifiable area.

Immigrants who had recently come to Australia stated a preference to use accountants as a source of assistance. In comparison, those who had lived here for more than 10 years preferred to use Government agencies, including the SBDC. This trend suggests a

greater willingness by immigrant entrepreneurs who have been here for longer periods to trust external support agencies rather than relying solely on known personal contacts.

The total time that immigrant entrepreneurs had spent as employees also affected their interest in support services and their preferred search strategies for business assistance. Some of the trends inevitably reflected the total time of residence of the interviewees in Australia.

2. Years as an Employee

Immigrant small business people who had been in employment for a short period prior to establishing their business were most likely to be interested in advertising in the general and ethnic media to make them aware of support services. Approximately one quarter of the group who had immediately established a business, without spending time as an employee in Australia, appeared to rely on their own resources and expressed no need to be better aware of available services. A similar proportion of this group was also not interested in receiving assistance from support services.

Immigrant entrepreneurs who had been employees for longer periods of time were most likely to favour being contacted directly by support services. They were also most interested in being able to contact a person who would be able to refer them to appropriate services, whereas those who had been in employment for shorter periods of time were more interested in newsletters and direct mail.

3. Years in Business

The time that immigrant small business people had been in their businesses in Australia also influenced their business information requirements and preferred methods for obtaining assistance. Once again, the trends partially reflected previous results.

Immigrant entrepreneurs who had only recently started their business were more likely to be interested in business orientation programmes. In contrast those who were in established businesses were interested in management training. Interviewees who had been managing their business for a long period of time were most interested in being able to contact a person specifically trained to deal with the problems of immigrant small business people, whereas those in more recently established businesses were more

interested in newsletters and direct mail. Immigrants in new businesses preferred to get assistance from their accountants whereas those in established businesses were more likely not to care where assistance came from.

Overseas Experience

Past experience of immigrant entrepreneurs in managing their own business overseas did not have a significant effect on the extent of their information needs and on access to support services. The preferred sources of information and information-seeking habits of immigrants who had experience in their own business overseas were similar to those who had little business experience in Australia.

Immigrants who had managed their own business overseas expressed a need for business orientation programmes and publications on doing business in Australia and felt that information from ethnic Chambers of Commerce would be most effective in making them aware of available services.

Those without overseas business experience also expressed a need for a publication on doing business in Australia (20%) but were less interested in business orientation (10%) and advice from ethnic Chambers of Commerce (8%). They were also more interested in management training (20%) and in assistance in all areas (23%).

Immigrants with and without business experience overseas were interested in advertising in the general and ethnic media and wished to receive newsletters and direct mail about support services.

Nevertheless, those with overseas experience were less interested in being directly contacted by assistance providers. They were also more likely to require assistance in areas related to finance and exporting but had less need for help with markets.

Chambers of Commerce were the preferred organisations to provide assistance to interviewees who had managed their own business overseas and trade associations appeared to be more popular with this group than with those who had little or no overseas proprietary experience.

SUMMARY

The foregoing suggests a number of important conclusions which can be drawn about immigrant access to small business support services. It appears that both English language competence and knowledge and experience of the Australian social and business context influence access to services.

These factors are not important in relation to all of the dimensions of access. Neither are they totally independent of one another or in some cases, of other related variables. However it is possible to identify clear trends in the data which are summarised below.

Language

1. Problems

Immigrant small business people who have problems communicating in English generally had a wider range of business problems than those without language difficulties.

2. Awareness of Problems

Those with English language difficulties become aware of their problems however, in the same manner as other immigrant small business people - by being confronted with a problem and having to deal with it.

3. Awareness of Providers

Interviewees with good English language skills were aware of a wider range of professionals and organisations which could provide support services to their businesses to solve these problems. Generally those who could communicate well in English were more aware of trade associations and Government agencies than those who were not good English language communicators. Accountants and friends were much better known by the latter group.

Language skills appeared to influence knowledge and use of specific small business support providers.

Accountants and to some extent lawyers are central to the day to day pursuit of business in Australia. Immigrants come to be aware of particular professionals through general business knowledge or through personal contacts. Consequently the extent of language competence made no difference to the awareness of immigrant small business people of these professionals or to the extent of the use made of them.

As business support providers became more distant from day to day business activity, the more likely it was that those lacking good English communication skills would not be aware of them and would not use them.

For those in manufacturing industry especially, trade associations tended to be more central to business life. However language competence did appear to influence the extent of awareness of trade association.

Good English communicators were to be aware of trade associations through their business knowledge and business associates.

Those who had difficulties communicating in English may have been less connected in to the business network and appeared to have only been aware of trade associations if they were informed by a close and trusted advisor.

Even when they were aware of trade associations those with language difficulties were less likely to use them because of these language problems and because they were not sure of the role of trade associations.

Lack of English language skills were even more significant in reducing awareness of Government agencies. Those without language skills were largely unaware of the existence of these agencies and when they were, relied on friends and business associates for this information. Usage was limited because of language difficulties and because of their lack of knowledge about the role of these Government agencies.

In contrast, Government agencies were known to good English language communicators through a wide range of means including general and ethnic based advertising and through information from the agencies themselves.

4. Involvement in Networks

English language competence also appeared to influence the immigrant small business persons involvement in formal and informal business networks which could provide assistance to them.

Those with problems communicating in English tended not to be involved in a business network or if they were, in an ethnic Chamber of Commerce or with business associates. Good English communicators were involved in a much broader range of networks.

Language difficulties and a lack of knowledge of an appropriate network were cited as the major reasons for not becoming involved in a network by those with language problems. Good English communicators in contrast, chose not to be involved because they were too busy.

5. Assistance Required

Finally those with language difficulties were more likely to prefer types of assistance and the means of delivering assistance which reflected their difficulties with communicating in English.

Poor English communicators wanted assistance in a wider range of areas of business especially in the area of management. They saw accountants and Chambers of Commerce as appropriate assistance providers and wanted to be informed of available assistance through ethnic media advertising.

Generally however they were more narrow in their options than those who were good English communicators who felt they had fewer problems and less of a need for support services and who were more comfortable with direct contact with assistance providers including Government agencies. Those with language difficulties wanted to get information primarily through written newsletters or information pamphlets mailed to them but at the same time were keen to get information through any means available to them.

In summary a lack of English communication skills appeared to increase the range of problems an immigrant small business person faced, but reduced their awareness and use of a number of assistance providers including trade associations, Chambers of Commerce

and Government agencies. Preferences for the marketing of assistance sources and the means of delivering assistance was also influenced by the extent of English language skills.

Social and Business Context

1. Background

Experience and knowledge of the Australian social and business context was assessed on the basis of four major variables: years in Australia, years in business, years in employment and management training.

Years in Australia and years in business consistently influenced the access of immigrant small business people to support services in similar ways.

This is to be expected given that an immigrant small business person must be resident in Australia before a small business can be established so there is clearly a strong relationship between the two.

However non business experience in Australia can provide information and understanding which helps in gaining access to support services independently of business experience. The longer the period in Australia the more likely the immigrant is to get such information and experience.

If the experience of living in Australia is to be identifiable as a factor separate from years in business and thus separable from experience gained through business, it is necessary to establish that the small business person's period in business does not totally coincide with their period in Australia.

Study data shows that a large proportion of immigrant small business people had been in business for a period significantly shorter than the period they had spent in Australia. At the same time a significant proportion had businesses established for the whole period of their residence.

This suggests that immigrant small business people gained understanding and experience of the Australian scene both through living in and being in business in Australia.

Access appeared not to be generally influenced by the immigrants employment experience or their experience as a manager.

Management training also had a very limited influence on access issues.

2. Problems

The shorter the period in Australia and in business the broader the range of problems that the immigrant small business person faced. Time in business appeared to be the primary factor in this.

Those who had been in business for a shorter period experienced problems with purchasing and finding premises while the longer term small business people had problems with exports and Government. Both groups experienced difficulties with sales and markets.

This suggests that immigrant small business people were similar to small business generally, experiencing problems according to the age of their business and their experience in business.

3. Awareness of Problems

The period over which an immigrant small business person had lived in Australia appeared to make no difference to the manner in which they became aware or clarified business problems. Mostly they reacted to problems as they arose.

However the length of period in business in Australia did have an influence. Those who had been in business for a short period relied on their own knowledge and on resources in the business in identifying and analysing problems. Those who had been in business for a longer period still relied very much on their own business but also used external sources of advice.

4. Awareness of Providers

Experience and knowledge gained through living in Australia influenced the level of awareness that immigrant small business people had of assistance providers in general. Those who had lived in Australia for a relatively short period were generally unable

to identify assistance providers while longer term residents were generally more aware of providers particularly trade associations, Chambers of Commerce and the SBDC.

Those who had been in business for a short period were less aware of assistance providers generally and of fewer providers than those who had been in business longer, although SBDC was equally well known by those in business for short and long periods.

Longer term business people had a greater level of awareness of ethnic Chambers of Commerce and trade association. They also knew something of Government agencies such as DITR and Austrade while less experienced business people did not.

When prompted about specific assistance providers, the awareness of them was influenced by the period in which immigrants had been in business and had been living in Australia

Those who had been resident and in business for both short and long periods were highly aware of accountants and lawyers and generally unaware of consultants.

Awareness of trade associations grew rapidly for those immigrant business people in business for more than 5 years.

Awareness of SBDC and DITR also grew significantly with the period in which the immigrant had lived in and been in business in Australia.

Although there was a necessary relationship between the period in business and period in Australia, people who were aware of Government services tended to be those who had been in Australia considerably longer than they had been in business in Australia. For immigrant business people who had been in business for the same period those who had lived in Australia for a longer period were more aware of Government service providers than those who had been resident for a shorter period.

Those with management training displayed a greater awareness of trade associations and Government agencies, than those without.

5. Means of Awareness of Providers

The manner in which immigrant small business people became aware of assistance providers depended both on the type of provider and the time they had been in Australia or in business.

For shorter term residents awareness of professional advisors was largely facilitated through other sources (within the business, advertisements, personal contact) while long term residents used their own knowledge in conjunction with information from business colleagues and associates.

Advertising and information from Government agencies themselves were the major sources through which immigrant small business people got information on Government agencies.

Those in business for a shorter period primarily used external sources of information to enhance their awareness of professional providers while those in business for longer periods relied more on their knowledge of business in Australia.

Again those with both long term and shorter term business experience in Australia relied on advertising and information from Government agencies as the major basis of their knowledge of Government agencies.

It appeared that those who had been employed for longer periods in Australia may have had a slightly greater awareness of trade associations through their knowledge of the Australian context and through associates and personal contacts.

6. Use of Providers

While accountants and lawyers were widely used by immigrant small business people regardless of their experience of the social and business context, consultants were not used widely, generally because their role was not understood.

Trade associations were generally not used by short term residents and those in business for a short period because they did not know enough about them. Those in business for longer periods also failed to use trade associations because they were not required by businesses which were seen as self sufficient by their owner/managers.

Immigrant small business people, regardless of the period they had lived in or been in business in Australia did not use Government agencies for business support primarily because they did not know enough about them.

7. Networks

The period of residence and the period in business in Australia influenced the extent of involvement of immigrant small business people in business networks.

Those resident in Australia and in business for a relatively short period were less involved within a narrower range of business networks - primarily ethnic Chambers of Commerce and business colleagues - than those in residence and/or in business for a longer period.

This was primarily because they did not know of networks appropriate to them. This was in contrast with those who had been resident and in business for a longer period who although having a better knowledge of appropriate networks chose not to be involved because of lack of time or need.

8. Improving Access

Immigrant small business people who had lived in and had been in business in Australia for a relatively short period felt that their access to assistance could be improved by providing information on business requirements in Australia and on the types of assistance available, through Chambers of Commerce and the ethnic and general media.

They were interested in making contact with assistance providers and receiving assistance in written, non personal form through newsletters and direct mail. If personal contact was to be made, accountants were preferred.

Those who had been resident and in business for a longer period were less concerned with receiving assistance and when they did require assistance they preferred to get it directly from a person in any appropriate assistance providing organisation including Government agencies.

Overseas Experience

In general, overseas experience appeared to have little or no influence on an immigrant small business person's access to support services.

Of some importance was the finding that those with overseas business experience appeared to be less aware of support providers and less involved in business networks than those who had no overseas experience.

Those with overseas experience appeared to believe that they could 'go it alone' and that they didn't have time to seek assistance or the need for it.

This was reflected in their assistance preferences. They preferred to identify support providers and get assistance through written materials rather than through direct contact. If they were to receive information, Chambers of Commerce and Trade Association's were preferred.

CONCLUSION

This study suggests that the access of immigrant small business people to small business support services is influenced primarily by language skills and experience in the Australian social and business context.

The types of problems and opportunities which the immigrant small business person confronts; the basis of awareness of these; their ability to make contact with assistance providers and to get the support they require are influenced by these factors.

Business Problems

Immigrant small business people experience business problems which are very similar to small business people generally. They are focused around market development, finance and staffing.

However, more recent immigrants, many of who experience language difficulties and who have been established in business for a short period experience a broad range of

business problems similar to those experienced by any new business, including purchasing and supply and general management, especially related to establishing a business.

It is therefore recommended that no new programs be developed specifically for immigrant small business people but that materials on central problems of establishing and operating a small business be available in the language of the target groups.

Business Opportunities

Immigrant small business people perceived business opportunities in developing new products, extending domestic market penetration and in exporting goods and services.

Immigrant small business people appear to be particularly well placed to pursue new product development based on knowledge and expertise gained overseas and by bringing new perspectives to the improvement of existing products.

A successful export strategy through immigrant small business people relies on their effectiveness in both Australian and overseas markets.

It appears that the capabilities of immigrant small business people could be enhanced in both markets. Some language difficulties and potential shortcomings in the area of business knowledge in Australia need to be addressed. Identifying opportunities overseas and establishing and maintaining contacts overseas also pose some difficulties and costs for the immigrant small business person.

It is recommended that Austrade tap this source of potential export by identifying target groups and providing information on available support for exporting. SBDCs could provide advice and assistance to Austrade in this.

Recognising the limitations of this study due to the small number of exporters in the sample, it is also recommended that a study be made of means of promoting greater export through immigrant small business people.

Awareness of Problems and Opportunities

Immigrant small business people appeared to behave in a manner similar to all small business people as described in the literature in Chapter 1. Language skills, knowledge of the Australian context and overseas experience made no difference to the process of problem identification and analysis in which immigrant small business people engaged.

Like all small businesses, immigrant small business people effectively denied that they had systematic and foreseeable problems. They reacted to problems as they arose as a crisis to be dealt with at short notice. They did not tend to plan for problems - problems just occurred and became obvious to the immigrant small business people.

Heavy reliance on their own 'knowledge and experience' in identifying and analysing problems reflected a characteristic reaction to crisis by small business people in general.

Immigrant small business people therefore generally perceived no particular difficulties in identifying problems and establishing their basis. The existence of problems was perceived as the problem arose.

Sometimes difficulties in identifying the problem and analysing its basis arose as a result of problems with language or because the Government had been unhelpful. But these issues were overwhelmed by the reactive approach to problem identification and solution.

Such an approach appears to be typical of small business in general, and provides a major explanation of why small business agencies are not used by a large proportion of the small business population.

Agencies such as the SBDC offer services to small businesses concerned with systematic planning and preparation even if this is only on a limited scale. Small businesses reacting to immediate day-to-day problems are never able to engage in systematic examination of their problems.

Once a problems arises it must be dealt with immediately so the services of small business agencies are seen as unhelpful or irrelevant to problem solving.

This reactive response to problems is particularly harmful to immigrant small business people who may have even more limited capability to deal with problems. Those who have language problems or lack an adequate understanding of the way business is done in Australia have an even more limited stock of responses to apply to problems.

Reactive responses place the immigrant small business person's enterprise at greater risk of failure through inappropriate or unsuccessful attempts at problem solving. It also acts as a major barrier to identifying appropriate sources of assistance and receiving assistance.

This problem is fundamental to all small businesses but needs to be addressed if immigrant small business people are to have improved access to business support services.

Consequently, it is recommended that Government agencies responsible for small business establish a strategy for improving problem solving techniques and planning for all small business.

To facilitate access to this information, materials should be provided in languages accessible by the target groups.

Awareness of Assistance Providers

Establishing that a problem exists, and examining its nature is just a first step in gaining access to support.

The immigrant small business person must then make an assessment of the type of assistance they require and where it can be provided.

A lack of language skills leads immigrant small business people to be primarily aware of and to use assistance services such as accountants and friends, which are easily accessible and known. Lack of language competence means that immigrant small business people are not aware of formal networks and Government agencies - which are available to provide assistance.

A knowledge of the Australian social and business context gained through living in Australia and operating a business enhances awareness of available assistance. The more recent arrivals have very little knowledge of business assistance providers.

Awareness of assistance providers especially those in formal networks and in Government comes with experience of Australian society and business.

But the need for immigrant small business people to be aware of assistance is much more pressing than the process of socio-economic osmosis will allow.

Intensive and targeted marketing by assistance providers is recommended if business support is to reach immigrant small business people in the vital early periods of their involvement in business in Australia. Targeted marketing would have significant benefits by assisting immigrant small business people with business skills to establish their enterprises earlier and would contribute to increased business success.

Awareness and use of Specific Providers

Professional assistance providers, especially accountants, are at the front line of assistance for immigrant small business people. They provide important basic business services, in many cases can do business in the clients own language and know something of the social and cultural background of the client.

Unfortunately in many cases these accountants offer limited services and skills and do not have time to assist in identifying and examining problems in advance and planning for the clients business development.

Chambers of Commerce play a central role in ethnic communities, although their services are limited and awareness of them is constrained by language difficulties and lack of knowledge.

Trade and other industry organisations have specific mandates which may assist problem identification but leave problem solving to the member. These organisations do not cater for the specific and unique needs of immigrant small business people.

Government agencies (SBDC and DITR) provide and coordinate assistance required by immigrant small business people. However a majority of immigrant small business people are not aware of them. Only around 10% of immigrant small business people actually use them.

Language problems and a lack of knowledge of the social and business context are major contributors to the poor awareness and use of Government agencies by immigrant small business people.

It is recommended that a mechanism for delivering small business support services to improve the access of immigrants be established which uses accountants, Chambers of Commerce and trade associations as the primary points of contact and SBDCs coordinating those elements and providing back up to the primary service providers be established.

Means of Awareness of Assistance Providers

As an integral part of the business milieu, professional providers, especially accountants are known directly by immigrant small business people and through personal contacts.

Immigrant small business people generally relied on direct contact by Government agencies, advertising or stories in the media to learn about SBDC and DITR.

This posed a particular problem for immigrant small business people with language difficulties and those who had been in business in Australia for a short period. Information about assistance providers appeared not to be getting through to them. They were largely unaware of the existence of Government agency providers and uncertain about the services available.

Business Networks

Fifty percent of immigrant small business people belonged to both formal and informal business networks. Ethnic Chambers of Commerce played a very important part in this.

But recent residents and those with language difficulties tended not to join networks and had limited options when they did. These immigrant small business people attributed their failure to join networks to ignorance of a network appropriate to their needs.

Lack of language skills or lack of knowledge of the Australian context excluded many immigrant small business people from business networks and the contacts and assistance they could provide.

It is recommended that trade associations and other private sector providers increase the accessibility of their services by addressing the language difficulty which many immigrant small business people face in becoming aware of and using them.

Improving Access

Improvements in access to small business support services identified in the preceding analysis largely reflected those which immigrant small business people themselves were seeking.

Immigrant small business people with language problems required a broader range of support, reflecting their greater difficulty in dealing with problems, because of the language constraint. They also preferred to be made aware of assistance through ethnic media in their own language.

Many wanted to receive as much assistance as possible from all possible sources. However they had a preference for getting assistance through printed materials - newsletters or direct mail - rather than through direct contact with advisors either in person or over the telephone.

These immigrant business people preferred ethnic Chambers of Commerce and accountants to provide business support. Language problems appeared to exclude some immigrant small business people from using Government agencies.

The period of residence and involvement in business also influenced the needs of immigrant small business people. Longer term immigrant small business people did not require orientation. They could rely on a range of information sources to identify

appropriate assistance sources and were comfortable with making direct contact with these sources.

Similarly those with longer term involvement in Australian business were willing to use Government agencies for assistance but those who had less Australian business experience preferred assistance sources they knew and trusted - accountants and business associates.

Those who were more embedded in Australian society and business were more willing and able to use the business support system. Those who were not so well established remained largely uninformed about available support services and unwilling to use Government services even when they knew what was available.

Recognising resource constraints on public and private sector providers of small business support services, it is recommended that programs be targeted to those immigrant small business people who experience language difficulties and who have lived in Australia for a short period (up to 10 years).

CHAPTER 4: RECOMMENDATIONS

INTRODUCTION

Immigrant small business people, for the purposes of small business support, cannot be aggregated into a single group.

Those immigrant small business people who have been resident in Australia and have operated businesses for a longer period of time, typically more than 20 years and more than 10 years respectively, do not appear to have access requirements that are very different from the small business community in general.

In fact long term immigrant small business people see themselves as very similar to their Australian born colleagues.

However immigrant small business people who are more recent arrivals with language difficulties and limited experience in the Australian social and business context have some unique requirements if they are to have equitable access to the business support services they require to improve the success of their enterprises.

As new business people they are likely to have access problems similar to those experienced by non immigrant small business people generally. However this study suggests that they are likely to have additional problems of access to small business support services by virtue of the fact that they are recent immigrants to Australia.

The focus of these recommendations are therefore on those immigrant small business people who this study revealed as likely to have access problems. This group includes those who experience English language difficulties and who have been in Australia for a relatively short period.

The recommendations refer to a target group of immigrant small business people who display these characteristics and also who are part of significant ethnic communities in Australia.

Specific initiatives to ensure appropriate assistance is available and accessible are required for those with language difficulties and for newcomers to Australia.

AREAS OF ASSISTANCE

These recommendations seek to address the key access issues identified in this study and to improve the availability and delivery of small business support services required by immigrant small business people.

Problems

Business difficulties experienced by immigrant small business people are consistent with those experienced by small business generally.

However problems of finance and market development and problems associated with establishing a business appear to require specific consideration for the target group of immigrant small business people.

It is recommended that publications on these issues and especially providing advice on business establishment processes and problems, be made available in appropriate languages to the target group. This specific targeting of immigrant small business people will effectively enhance access while recognising the resource constraints of assistance providers.

Opportunities

The major area of business opportunity identified by immigrant small business people was exports. It appeared that export opportunities were perceived primarily by immigrant small business people who had adequate English language skills and experience and knowledge of Australian business.

They require support in identifying potential opportunities in export markets and assistance in establishing and maintaining contracts. This would not involve direct financial assistance, rather the establishment of accessible information mechanisms and procedures to identify and publicize opportunities and to support the maintenance of a trade network.

While Austrade is currently performing such a function the evidence of this study suggests that a large proportion of immigrant small business people simply are not aware of this.

If immigrant small business people do in fact represent a large untapped source of export potential this situation will need to be improved.

It is recommended that Austrade consider targeting immigrant entrepreneurs with contacts and experience in overseas markets which have been identified by Austrade as of strategic importance to Australian exports. Specific efforts should be made to identify these immigrant small business people through ethnic Chambers and Commerce and trade associations.

A media campaign including advertising in the ethnic media of targeted ethnic groups, establishing Austrade's interest in contacting immigrant small business people from strategic countries, should also be considered.

This initiative should be undertaken in co-operation with State Government agencies including the Small Business Development Corporations.

The recommendations emerging out of this study are constrained by the fact that the number of immigrant small business people involved in the study who were actually exporting, was relatively small.

This was notwithstanding the fact that considerable time and resources were expended in attempting to identify and interview exporters.

The importance of export promotion and the potential of immigrant small business people to promote exports warrants a research effort to specifically address this issue.

It is recommended that the Federal and State Governments support a study into the means of promoting greater export through immigrant small business people.

AWARENESS OF PROBLEMS

Immigrant small business people suffer from crisis management and a lack of systematic identification and analysis of problems and their solution. They are no different from small business people generally in this regard.

Targeted immigrant small business people should be able to get easy access to printed information on characteristic problems that are encountered in business in Australia and to be kept up to date with business issues which could become problems for them in the future.

This information should be prepared in written form, in a language easily understood by the immigrant small business person. Recognising the resource constraints faced by support providers such printed materials should be restricted to central business problems associated with establishing a small business and operating it in its formative years.

Translation of these materials should be focused on the languages of target groups.

Training in problem solving is required by all small business people including immigrants. Efforts are required to make small business people generally aware of the importance of a more systematic approach to identifying and solving problems.

It is recommended that Government agencies responsible for small business, develop programs in problem solving techniques which are generally available to small business people. Seminars and printed materials should be provided to target groups in their preferred language.

AWARENESS OF PROVIDERS

Professional assistance providers are well known to immigrant small business people, whether they have language difficulties or not and whether they are long or short term residents of Australia.

Accountants are the major support providers which immigrant small business people who experience language difficulties and are relatively recent arrivals to Australia, are willing to use.

Generally they prefer to rely on those within their enterprise or on close colleagues to provide advice and assistance. Accountants tend to be the limit of external support to which they are willing to go because they are such an essential part of the successful running of a business in Australia.

This reality suggests that accountants are strategically positioned to act as an initial contact point with immigrant small business people. They could provide advice and referral services and promote greater acceptance of more specialist support services.

Accountants could play an important role in the delivery of services to immigrant small business people. Delivery issues will be discussed in a later section of these recommendations.

Chambers of Commerce and trade associations are more generally known by immigrant small business people but this knowledge tends to be focused on those with good English language skills and/or those who have been in business for longer periods of time.

The ethnic Chambers of Commerce and trade associations in particular appear to be in a position to extend their services to immigrant small business people who experience language difficulties and are newcomers, through advertising and through their large networks of members and supporters. A specific strategy for the ethnic Chambers of Commerce is discussed in the following section.

Government agencies including the SBDCs are not well known in the immigrant small business community generally. The SBDC in Victoria however has made significant

efforts to market itself through the established ethnic Chambers of Commerce and this should continue.

ASSISTANCE PROVISION

Assistance should continue to be provided primarily through programs available to all business people through Government and non-Government agencies.

For established immigrant small business people this assistance may be better marketed and in some cases better delivered through ethnic media and ethnic Chambers of Commerce respectively. However new immigrant small business people who have recently arrived and established businesses and who experience language problems require more targeted assistance.

Effective access to small business support requires:

- the provision of appropriate easily understandable information materials and sources of direct assistance and advice
- effective means of delivering assistance

It is recommended therefore that State Government agencies and private sector providers co-operate to provide basic information materials on key business issues to target groups. Private sector providers would be expected to prepare and distribute materials in consultation with State agencies.

It is also recommended that Federal and State agencies financially support the provision of assistance to immigrant small business people through organisations and enterprises which are more closely related to these business communities.

Delivery

On the basis of this study, it appears that access to small business support services can be most effectively enhanced by establishing a considerably closer contact between ethnic based service providers and target groups.

Government agencies in this model, would play a supportive and coordinating role.

It is recommended therefore that a three dimensional delivery mechanism be considered involving accountants operating within target ethnic communities, ethnic Chambers of Commerce and trade associations, and State Government agencies including the SBDC.

1. Accountants

Ethnic based, professionally qualified accountants could be identified and supported to make front line contact with the target groups and provide preliminary information and advice and referral on business problems.

These accountants would have detailed knowledge of support services and have access to Government publications for general distribution and enjoy close liaison and co-operation with State Government agencies in order to facilitate his/her service activities.

This would be part of the accountants normal commercial role.

Accountants operating within the target groups in areas of ethnic concentration in metropolitan and provincial cities could be easily identified by and accessible to immigrant small business people.

2. Chambers of Commerce and Trade Associations

Ethnic Chambers of Commerce and trade associations provide a second dimension to the assistance delivery mechanism.

They represent a 'second line' of assistance which is and can be more accessible to immigrant small business people.

In the case of well established Chambers of Commerce which largely represent non target groups such as European small business people, close links between them and State Government agencies, especially the SBDC can be extremely fruitful.

As is the case in Victoria, Chambers of Commerce can act as an 'agent' for the SBDCs in distributing information and advising and referring clients on to specialist support providers.

This model could be applied to a number of ethnic Chambers especially in the area of export promotion as discussed in this report.

Activities to promote trade with Europe has become extremely pressing as 1992 fast approaches.

Ethnic Chambers of Commerce, servicing targeted immigrant groups require establishment, extension or change in order that they can play an effective part in the delivery of business support services.

Where Chambers do not exist, as is the case in the Victorian Vietnamese community, it is recommended that Government agencies assist these communities by financing, on a temporary basis, individuals to undertake this task, under the day to day direction of ethnic community leaders.

In cases where Chambers are in their infancy or lack the resources to effectively assist in the access role, specific support is recommended to upgrade the capacity of the Chambers.

It is intended that these initiatives to establish and strengthen Chambers be focused on ethnic communities which represent significant numbers of small business people in Australia.

In some cases Chambers may not have a strong small business element because their focus is on big business and import/export opportunities. In these cases it is recommended that Government agencies seek to have these Chambers extend their areas of, operation into small business and to establish the Chambers needs in this regard.

In Victoria the Australian Chinese Chamber of Commerce may be able to provide new services to small business people in co-operation with SBDC.

Existing trade associations, especially in the manufacturing sector, can also take on a role as 'agent' for Government small business support agencies.

3. Government Agencies

Government agencies, especially the SBDCs represent the third dimension of service delivery to immigrant small business people.

It is recommended that they:

- establish arrangements with accountants to have them offer preliminary advice and referral as previously discussed
- support the establishment of and extension of the role of ethnic Chambers of Commerce to improve access
- co-ordinate within their States and nationally with other SBDCs, the production of materials for target groups
- establish clear mechanisms for referral of target immigrant small business people from accountants or ethnic Chambers, to other specialist providers
- co-ordinate the marketing of support services provided within this strategy

It is also recommended that the SBDCs continue to play a role in providing assistance directly to immigrant small business people.

Specifically it is recommended that the SBDCs appoint an ethnic small business advisor to co-ordinate their efforts to enhance the access of immigrant small business people and to improve the programs available to them.

The role of the ethnic small business advisor would involve:

- establishing and maintaining contact with existing Chambers of Commerce and trade associations to improve services to immigrant small business people.
- liaising with target groups in which ethnic Chambers of Commerce do not exist or require strengthening to promote the establishment and extension of Chambers
- consulting with Chambers over their preparation of information materials for immigrant small business people

- establishing a clear policy stance within SBDCs on the desirability and means of promoting access and equity objectives
- organisation of systems within SBDC to smooth contact between it and the range of service providers including Chambers of Commerce, trade associations and accountants
- establishing and maintaining contacts with accountants in order to stay in touch with the needs and problems of immigrant small business people and to assess the effectiveness of SBDC ethnic programs
- liaising with the Department of Immigration to improve SBDC information on immigrants interested in or intending to establish businesses in Australia
- advising on appropriate marketing strategies for SBDCs to promote greater access by immigrant small business people and to support the delivery roles of Chambers of Commerce, trade associations and accountants.
- liaising with agencies in other States to promote greater consistency of approach to immigrant small business.

Provision of Materials

A plethora of material is available as a basis for general information to immigrant small business people.

It is recommended that this material, covering key business problems and issues, be provided in accessible languages to target groups. It is proposed that Chambers of Commerce be responsible for their preparation, in consultation with SBDCs.

These materials would provide the basic information to be distributed by accountants, Chambers of Commerce and trade associations.

In addition to these 'static' materials it is recommended that support be given to the production of regular business up date publications. These could be most effectively provided through accountant client newsletters or the regular publication of Chambers of Commerce.

Information on doing business in Australia is currently available to business migrants when they move to Australia. It is recommended that similar information be provided

to immigrants who have been identified as potential small business people irrespective of their entry classification.

MARKETING

To further increase awareness of immigrant small business people of assistance available through providers, a marketing effort is required.

A multi dimensional marketing strategy is required if all parts of the immigrant small business community are to be reached. Advertising in the general media and media reports may provide an adequate level of information to English speakers.

However a more targeted marketing approach through the ethnic media including the ethnic press and ethnic radio and television linked to business and business related reports and programs, is required for non English speakers and those who have been in Australia for a short period of time.

Marketing and information strategies may also be targeted at new immigrants as they enter Australia. With the co-operation of the Department of Immigration, new immigrants who may be interested in establishing businesses in Australia could be identified and materials provided to them prior to their arrival in Australia to make them aware of Government and non Government support services which they can contact. It is recommended that the Federal Government establish such a mechanism in consultation with the States.

ONGOING MECHANISMS

With the changing phases of immigration it is desirable for small business support services to be able to adapt to the changing make up and needs of immigrant small business people.

Should existing or new waves of immigration occur, small business support agencies will need to continually monitor the needs of these groups through direct contact and research into their needs.

Mechanisms for making and maintaining contact with new groups of immigrant small business people will need to be established on the basis of the model outlined above or a variant of this.

Marketing strategies for small business support agencies need to be adapted and updated to reflect the changing structure of the immigrant small business community in order that the marketing focus remains appropriate.

Small business support agencies need to see this as an ongoing strategy for improving the access of immigrant small business people to their services which will necessarily be flexible and changing in order to meet the different needs of current and future immigrant small business people in Australia.

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